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EDITOR'S NOTE:

It is ironic that India, the world's largest democracy, attracts so little media attention in the United States. At a time when democratization is receiving worldwide notice, this multiethnic country of nearly 1 billion people is all but ignored. With the end of the cold war, the United States could find this lack of interest a strategic disadvantage as India takes on an increasingly important regional role. Selig Harrison, one of the most astute observers of India and South Asia, details in this issue what that role might be and how the United States should shape policy toward the region in light of new strategic realities. Other articles expand the issue's focus on India with discussions of the shaky coalition politics of post-Gandhi India and the government's economic reform program.

Another new reality in South Asia is the end of Soviet and American aid to their respective clients in Afghanistan. Possible solutions to the stalemated conflict are reviewed by Rasul Raiz, who offers an informative overview of the fractious Afghan resistance and the government's shift in political strategy. The other major conflict in South Asia—the Tamil insurrection in Sri Lanka—is examined by Robert Oberst. The civil war on the island has claimed more than 16,000 lives, and continues unabated and underreported.

Democratic politics have returned to Bangladesh and they continue in Pakistan—with the military's approval. For Pakistan, uninterrupted civilian rule has been accompanied by a revived economy. For Bangladesh, the new civilian government finds itself still facing one of the world's poorest and most underdeveloped economies.

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"The United States now has an opportunity for a fresh start in South Asia and should move toward a more detached policy that avoids embroilment in the region's military rivalry while giving appropriate emphasis to India as South Asia's more important power."

South Asia and the United States: A Chance for a Fresh Start

BY SELIG S. HARRISON

It is not an accident that the end of the cold war has coincided with protracted instability in India and Pakistan and a dangerous drift toward a possible renewal of military conflict over the long-disputed territory of Kashmir. While the fundamental problems of both countries have domestic roots, the projection of the superpower rivalry into South Asia severely complicated these problems by exacerbating tensions between New Delhi and Islamabad. The large-scale infusion of sophisticated American and Soviet military equipment over four decades accelerated the Indo-Pakistani arms race and promoted the diversion of scarce resources from economic development to defense spending on both sides. To some extent, the economic assistance generated by the American-Soviet competition for influence in the region offset this destructive impact. But the costs of the cold war far outweighed the benefits for South Asia.

The massive influx of American military aid to Pakistan produced especially damaging consequences both within Pakistan and in its relations with India. By

artificially inflating the strength of the Pakistani army in internecine power struggles with civilian political and bureaucratic forces, American aid directly facilitated the emergence of a series of authoritarian, military-dominated governments. Army dominance reached its zenith during the decade-long reign of General Muhammad Zia ul-Haq, Islamabad's most adroit military ruler. Zia used the increased American aid flow resulting from the Afghan war to build powerful military intelligence agencies that not only helped him to consolidate his domestic control, but also emboldened him to embark on ambitious foreign adventures.

In addition to \$5.1 billion in military aid to Islamabad from 1954 to 1990, American and American-orchestrated weapons aid channeled to the Afghan resistance through Pakistan from 1980 until October 1991 totaled another \$3.5 billion. The principal conduit for this aid was Zia's directorate of the Inter-Services Intelligence. As part of his political alliance with Pakistan's Islamic fundamentalist Jamaat-i-Islami party, Zia put the ISI machinery under the control of military officers who were either Jamaat sympathizers or shared his own ideological amalgam of religious fundamentalism and militant Pakistani nationalism. His frankly declared goals were to install a fundamentalist Pakistani satellite regime in Kabul and to destabilize two key Indian border areas, Kashmir and Punjab.¹ Four years after his death in a 1988 plane crash, Zia's apparatus is still largely in place, albeit with changes at the top, and the ISI continues to pursue his agenda.

Reflecting the domination of the army by Pakistan's Punjabi ethnic majority, Zia consistently resisted demands for independence or autonomy by the country's Sindhi, Baluch, and Pashtun minorities. Neverthe-

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¹Zia spoke of these goals at length in a conversation with me in Islamabad on June 29, 1988.

less, he was quick to take advantage of India's blunders in its dealings with Sikh factions in Punjab and Kashmiri Muslims who made broadly similar demands. Zia did not create the Punjab and Kashmir problems. But when legitimate, locally based opposition to Indian rule developed, the ISI stepped in to help organize, finance, and arm guerrillas who have proved to be extremely potent, especially in the Kashmir Valley, where India now faces a more serious challenge to its control than in Punjab. In November of last year, Lieutenant General Mirza Aslam Beg, who had just retired as Pakistani army chief of staff, told me with pride that "thousands" of ISI-trained Kashmiris were sent to Afghanistan beginning in 1986 and subsequently returned to fight in the valley together with other guerrilla units that had been also organized, financed, and armed primarily by the ISI.

India has compounded its problems with indiscriminate military repression in both Kashmir and Punjab, which has led to increased support for insurgent groups. At the same time, India's own foreign intelligence agency, the Research and Analysis Wing, has intensified its long-standing support for Sindhi insurgents in Pakistan's militarily vulnerable, multiethnic Sind province.

Surveying the legacy of the cold war in South Asia, it is clear that the tilt toward Pakistan entailed heavy costs for the United States. In addition to the damaging impact American military aid had on Pakistan's internal political development and its relations with India, the pro-Pakistan tilt poisoned American relations with India and Afghanistan, opening the way for Soviet military aid inroads in both New Delhi and Kabul. In the case of Afghanistan, Soviet penetration of the armed forces set the stage for the Communist takeover of 1978 and the Soviet occupation the next year.

The United States gained what it perceived to be indispensable temporary advantages from its alliance with Pakistan, especially the use of electronic monitoring facilities adjacent to Soviet Central Asian intercontinental ballistic missile (ICBM) test sites and antisatellite test sites and launching sites, and the use of the ISI as a conduit for weapons aid to the Afghan resistance. With the end of the cold war, however, the importance of such facilities has gradually declined, and American military aid to the resistance ended in October 1991. The United States now has an opportunity for a fresh start in South Asia and should move toward a more detached policy that avoids embroilment in the Indo-Pakistani military

rivalry while giving appropriate emphasis to India as the subcontinent's more important power.

INDIA: A "SLIDE TOWARD CHAOS"?

Soon after India won its independence, Eugene Staley warned that the "most dangerous decades" for traditional societies embarking on the process of economic modernization come immediately after the takeoff stage of development.² Economic progress, he pointed out, would generate ever-intensifying social and political conflict over limited spoils that would never be enough to go around as population growth escalated.

This somber projection was peculiarly relevant for India and Pakistan with their stratified societies and distinct linguistic territories. Seeking to apply the Staley thesis to the Indian case in my 1960 book, *India: The Most Dangerous Decades*, I emphasized two critical questions: Could a subcontinental federation comparable in scope and diversity to Europe, Africa, and Latin America hold together within the framework of a single state? Would the tensions generated by development lead to a more centralized system under authoritarian rule, or to a looser state marked by greater devolution of power to local and regional governmental units?³

India is now facing its most serious trials since independence precisely because it has successfully laid the foundations for its economic development in the past four decades. The burgeoning growth of industry in recent years and the first signs of participation in expanding private financial markets by affluent rural elites constitute the most striking symbols of economic vitality. At the same time, growing inequities in income distribution have produced the "million mutinies now" described by V. S. Naipaul.⁴ Power struggles waged in the name of ideology, or caste, regional, or religious identity are often struggles over income distribution.

In weighing future policy options in South Asia, the United States should first consider whether India is indeed on a "slide toward chaos," as James C. Clad suggests, since its internal political and economic health will condition the country's capacity to project power externally and play a significant role in world affairs.⁵

While India is passing through a period of political instability, its constitutional structure is resilient enough to absorb the shocks of this transition. Compared with more homogeneous societies, or societies at a later stage of national consolidation and development, India will often appear chaotic as it undergoes the social and political upheavals endemic to the development process. But New Delhi will nonetheless seek to project its military power and to play a global as well as a regional foreign policy role that will compel American attention in the decades ahead.

Since assuming power in June 1991 as the head of a minority Congress (I) party government, Prime Minister P. V. Narasimha Rao has maintained unity in the ruling party while neutralizing the Hindu nationalist

²Eugene Staley, *The Future of the Underdeveloped Countries* (New York: Harper and Brothers, 1954), p. 174.

³Selig S. Harrison, *India: The Most Dangerous Decades* (Princeton: Princeton University Press, 1960).

⁴V. S. Naipaul, *India: A Million Mutinies Now* (New York: Viking Press, 1991).

⁵"India: A World at War with Itself," *The Washington Post*, March 31, 1991, p. B3.

Bharatiya Janata party by playing on the divisions between its moderate and hard-line factions. Splits in other opposition groups may eventually enable him to govern with a majority. The present Parliament was elected in June 1991 for a five-year term. Should discontent grow over inflation and other economic issues, the BJP could conceivably force a new election sooner, but this does not seem likely.

In the next election, even if it does not win a majority, the emergence of the BJP as the largest single bloc in the lower house would not only exacerbate Hindu-Muslim conflict and tensions with Pakistan but would also add to north-south strains arising from BJP efforts to promote the north Indian Hindi language as the national language. The current internal debate in the party could result, however, in the moderation of its anti-Muslim policies if it should lead, or share power in, a coalition.

The most difficult dilemma India faces during the years ahead is reconciling the conflicting claims of economic growth and equity. To achieve more rapid growth, economic liberalization is clearly necessary. Yet some of the economic reforms being adopted, partly as a precondition for badly needed credits from international lending agencies, are likely to aggravate economic inequities, offering a tempting target for opposition groups on both the right and the left. Given the social diversity of India, its widespread poverty and the depth of its existing disparities in income distribution, economic policies focused myopically on growth without regard for the political consequences could severely test the stability of the state.

Another built-in dilemma India confronts is whether to move toward a more decentralized federal system. The trend toward regionally based parties and growing demands for local autonomy—reflected in extreme form in the Kashmir, Punjab, and Assam insurgencies—have provoked counterpressures for a more centralized presidential system. So far the preponderant opinion in India is that its social and regional diversity requires a parliamentary structure with maximum elbow room for the accommodation of conflict.

Demands for a presidential system are often accompanied by speculation that the army will sooner or later play an increasing behind-the-scenes role and may eventually be forced to take power directly. The latter possibility has always been dismissed out of hand by students of India who have pointed to the British traditions of the Indian armed forces and the safeguards against a military takeover consciously built into the system by the country's first prime minister, Jawaharlal Nehru. Recently, however, a significant study by F. Tomasson Jannuzi has pointed to the possibility of the military

assuming a political role in response to the increasing use of the armed forces to quell unrest.⁶

Arguing persuasively that growth-centered, technology-driven agricultural development is exacerbating inequalities and social tensions in the countryside, Jannuzi urges that the central government use its existing constitutional powers to support pro-equity forces, especially in parts of eastern India where the discontent of the landless rural poor is especially acute. If New Delhi fails to intervene in this fashion, he warns, the army will be increasingly called on to quell violent rural rebellions in addition to the role it already plays in suppressing insurgencies in Kashmir, Punjab, and Assam.

"We wonder whether it can be taken for granted that the Indian army can be used repeatedly in operations against civilians," Jannuzi writes, "without suffering a gradual deterioration in morale and without risking its politicization." No longer, he concludes, can one dismiss the possibility that the armed forces will be "transformed into either a partisan instrument of those who rule or into a 'rogue elephant' capable of acting on their own to subvert civilian authority and take power."⁷

While a direct assumption of power by the armed forces is improbable, the possibility of the military's transformation into "the partisan instrument of those who rule" cannot be dismissed. Support for some form of stronger central authority is likely to grow in the event of a hung Parliament. However, a continuation of the present constitution is both more likely and more desirable than a shift to a presidential system. The most improbable possibility in the foreseeable future is a "slide toward chaos."

AN EMERGING REGIONAL POWER

In the years immediately ahead, India's internal political and economic problems are likely to slow down but not stop the development of its power-projection capabilities. American policy should be based on the premise that New Delhi will become an increasingly important military power with significant defense industries of its own in the public and private sector.

Indian great power ambitions are rooted in a self-image as one of the world's oldest and largest civilizations, entitled to global status second to none and to a regional sphere of influence centered in, but not necessarily restricted to, South Asia and the western Indian Ocean and its island states. The psychological compulsion to demonstrate a military reach consistent with this self-image can be seen by the growth of Indian naval power. The Indian navy has 2 aircraft carriers, with a third scheduled for completion by the end of the decade. It also has 8 destroyers, 24 frigates, 16 submarines, 81 naval aircraft, and 10 amphibious ships. The amphibious ships include 1 heavy landing ship and 9 medium ships collectively capable of carrying 1,460 men and 66 tanks. At present India has only one regiment of marines.

⁶F. Tomasson Jannuzi, *India in Transition* (Boulder, Col.: Westview Press, 1989).

⁷*Ibid.*, pp. 120–121.

The most striking symbol of India's military muscle is the domestically produced Agni missile. Successfully test-fired on May 22, 1989, the Agni is a two-stage, medium-range ballistic missile (MRBM) that uses a combination of solid and liquid fuel and carries its own guidance and an on-board computer. While described as a technology demonstrator, it is likely to be produced for the armed forces in the near future.

Launched from Cochin in southwest India, the Agni could reach the United States naval base at Diego Garcia in the southern Indian Ocean. Launched from Kutch in the northwest, it could reach Basra, Riyadh, and Teheran; from New Delhi, southern Kazakhstan; from the state of Arunachal Pradesh in the northeast, Beijing; and from Madras, Bangkok and western Sumatra.

Making the next leaps to an intermediate-range ballistic missile (IRBM) and an ICBM involves complex technical problems of warhead miniaturization, heat shields for the nose cone, and gas velocity for thrust. However, New Delhi is making steady progress in this direction and plans to test a four-stage Polar Satellite Launch Vehicle this year with a payload comparable to that of an IRBM.

India is already one of seven states that possess an indigenous space-launch capability and one of fourteen capable of operating their own communications satellites. As Thomas Mahnken has observed, the Indian satellite program has "potential military applications for reconnaissance and surveillance." He adds that the deployment within the next two decades of "rudimentary" antisatellite weapons comparable to what the United States had achieved in the 1950s is "not out of the realm of possibility."⁸

Although pressure from Western aid donors has led to significant defense budget cuts, V. S. Arunachalam, the science adviser to the Defense Ministry and the driving force behind development of the Agni, has said that "we will protect our major programs, especially guided missiles," noting that the entire missile effort costs only \$200 million per year, of which the Agni accounts for less than one-fourth. Similarly, Admiral L. N. Ramdas, the chief of the Indian Naval Staff, said in December 1991 that cuts in the defense budget would slow down but not stop naval expansion.

A more serious factor affecting Indian defense readiness is the disruption of important military supply links resulting from the demise of the Soviet Union. Instead of obtaining its spare parts and components for Soviet-made equipment and Soviet-licensed ordnance factories through a centralized network, India must now deal with more than 3,000 suppliers scattered throughout the former Soviet republics, many of which are demanding payment in hard currency.

Some observers who believe that a fourth Indo-Pakistani war is unlikely point to the impact of the Soviet collapse on India, the suspension of American military aid to Pakistan, and pressures in both countries for defense budget cuts. But a former Indian army chief of staff, General V. N. Sharma, is among many top Indian military and political figures who argue that these factors make it desirable to "teach Pakistan a lesson" sooner rather than later, before defense readiness is eroded and before the Kashmir situation deteriorates further.

Whether, when, and in what form India adopts an overt nuclear weapons posture in place of its present policy of calculated ambiguity is likely to depend on how far and how fast the drift to war continues. India is already capable of deploying air-delivered nuclear weapons and of putting nuclear warheads on its short-range, domestically produced Prithvi missile, which can reach targets throughout Pakistan. Pakistan's comparable Hatf missile is still in the early stages of development. Significant deliveries of the Prithvi to the armed forces will be under way by early 1993, and it is then that the danger of another war will become serious if the Kashmir issue has not been resolved.

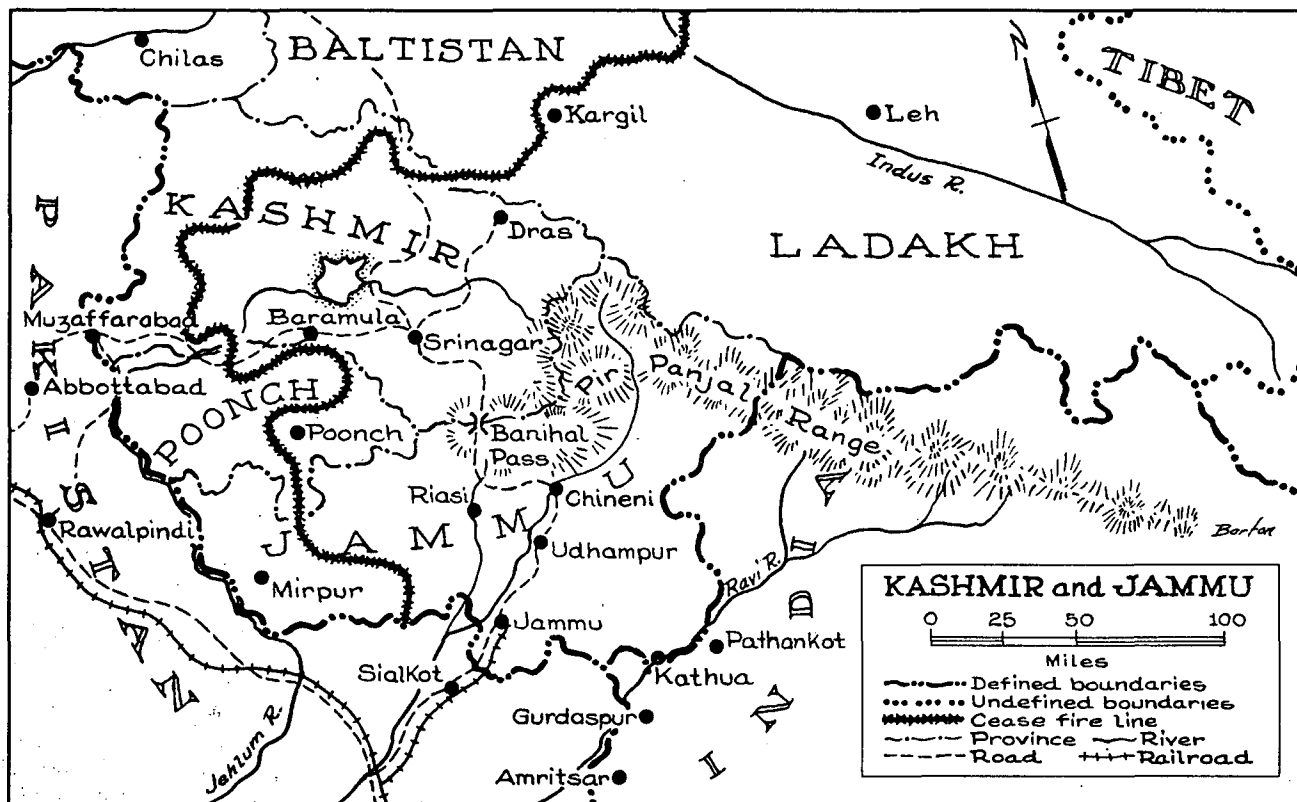
POWER-SHARING IN PAKISTAN

Like India, Pakistan is a multiethnic state with widespread poverty, rising expectations, and "a million mutinies now." While only one-eighth as large as India, it is ravaged by centrifugal stresses no less serious than those of its giant neighbor. Moreover, its problems have been aggravated by involvement in the Afghan war.

As a conduit for a multibillion-dollar annual traffic in narcotics from Afghanistan, Pakistan has itself fallen victim to widespread drug addiction in its major cities. Initially protected by Zia, entrenched Pakistani drug lords are now too politically powerful to be prosecuted or controlled. Another consequence of the Afghan conflict is the proliferation of weapons of all types that leaked from the American aid pipeline into the hands of black-market operators working in league with corrupt military officers. Most of these are smuggled to Sikh and Kashmiri insurgents, but large quantities have been acquired by domestic insurgent groups, especially in Sind.

Festering ethnic discontent in Sind and Baluchistan has posed a continuing threat to Pakistan's stability. During the Afghan war, Baluch separatists unsuccessfully sought Soviet support for the establishment of an independent Baluchistan, and Sindhi groups seeking independence have long viewed Indian support as the key to their success. Barring direct foreign military intervention, neither the Sindhis nor the Baluch is likely to challenge the Pakistan army successfully. Neither has been able to overcome its internal factional divisions and the strength of both is gradually being neutralized in their own provinces by the deliberate introduction of Punjabi and Pashtun settlers.

⁸Thomas G. Mahnken, "Why Third World Space Systems Matter," *Orbis*, Fall 1991, pp. 566, 571-572.



Pakistan has been controlled since its inception by a Punjabi-dominated oligarchy that has sedulously manipulated the ethnic, sectarian, and personal rivalries in the opposition. Since 1985, however, when Zia sought to give his regime a democratic facade by permitting carefully circumscribed elections, the army and its bureaucratic allies have attempted to share power with civilian political leaders in what have proved to be limited and uneasy partnerships. Muhammad Khan Junejo was forced out as prime minister in May 1988 after conflicts over foreign and defense policy with Zia, and a similar fate befell Benazir Bhutto in 1990 at the hands of Zia's successor as president, Ghulam Ishaq Khan. At present, Islamabad is a jungle of Byzantine intrigue in which the president, Prime Minister Mian Nawaz Sharif, and the army chief of staff, General Asif Nawaz Janjua, conduct thinly disguised vendettas with the help of the rival intelligence agencies that each controls.

As in India, the power of extremist religious groups is growing. Sharif's ruling coalition includes Islamic fundamentalist leaders who call for increased efforts to realize Zia's dream of a "strategic realignment" that would counter India through the establishment of a Pakistan-centered, pan-Islamic confederation embracing Afghanistan, some of the Central Asian republics, and Kashmir. As a practical matter, Islamabad will no doubt have to settle for limited influence along its borders in a Balkanized Afghanistan and a marginal role in Central Asia, where Turkey, Iran, and Saudi Arabia will be the major players. By contrast, in Kashmir, Pakistan is a powerful player. Its success in tweaking the Indian tiger's tail there has provided a deep source of psychic satisfac-

tion, a sense of "getting even" for Indian support of the 1971 secession of Bangladesh.

Islamabad is gambling that fear of a nuclear response will deter India from a military strike on the Rajasthan-Sind border comparable to the one it launched on the Punjab border in 1965 in retaliation for Pakistan's provocations in Kashmir. But this is an increasingly dangerous and potentially disastrous gamble.

AN INDEPENDENT KASHMIR?

The key to a possible solution in Kashmir lies in the split between Kashmiri Islamic fundamentalist groups favoring accession to Pakistan, and the Jammu and Kashmir Liberation Front, which represents the long-standing aspiration of Kashmir Valley Muslims for autonomy and advocates full independence.

Initially, Pakistan's ISI supported both factions. But a simmering conflict between the ISI and the Front burst into the open in mid-1990, and Islamabad has since given most of its support to the fundamentalist Hezb-e Islami and its allies. The better-armed and lavishly financed fundamentalist groups are militarily stronger and are seeking to liquidate local Liberation Front commanders. Nevertheless, the Front enjoys much greater popular support.

Islamabad has consistently opposed the idea of an independent Kashmir, calling for a United Nations (UN) plebiscite that would give all Kashmiris a choice between joining India or Pakistan. The state has been divided into Indian- and Pakistani-administered sectors since a cease-fire line was drawn after the first Indo-Pakistani war over Kashmir in 1948.

Half of Pakistan's hydroelectric generating capacity and the headwaters of the Chenab, one of its major rivers, would lie within the new entity. Moreover, creation of an independent, Muslim-majority Kashmir would invalidate Pakistan's own *raison d'être* as the homeland for the subcontinent's Muslims (a rationale already undermined by the secession of Bangladesh). Islamabad also fears that creation of an independent Kashmir would cut off Pakistani access to China. The Liberation Front demands that the projected new state encompass not only Indian-held areas of Kashmir and Pakistani-occupied areas of Azad (Free) Kashmir but also Pakistani-controlled Gilgit, Hunza, and Baltistan, north of Azad Kashmir, as well as pockets of territory ceded by Pakistan to China.

The conflict between the Liberation Front and the ISI provoked an open attack in 1990 in which the Front named names, stating that the insurgency was directed from Azad Kashmir by "Brigadier Imtiaz," the chief of the ISI's "Cell No. 202." Reaffirming its goal of "an independent Greater Kashmir," the Front declared that "anyone who tries to allow himself to be used by Pakistani intelligence authorities for promoting their own narrow purpose of bringing all of Kashmiri territory under their control would be looked upon as a traitor by the Kashmiri people."⁹

Islamic fundamentalism is a recent implant in Kashmir, claiming a fervently dedicated but limited band of adherents. The Front makes a much broader and deeper appeal to the historically rooted aspiration for autonomy in the Kashmir Valley, a distinctive, mountain-bound region with a strong sense of separate identity. Long before their current struggle against absorption by Hindu-majority India, the Kashmir Valley Muslims had resisted incorporation by Muslim rulers, notably the Mughal Emperor Akbar in 1586 and Ahmad Shah of Afghanistan two centuries later.

India granted nominal, limited autonomy to its sector of Kashmir in 1950 under a special constitutional provision but it promptly nullified this provision in practice. Kashmiri leaders who have attempted to exercise autonomy have been either jailed or replaced by corrupt local opportunists willing to accept Indian dictation.

Relations between New Delhi and Kashmir are complicated by the fact that the state is an artificial conglomeration inherited from the British colonial period. The Muslim-majority Kashmir Valley is lumped together

with two other areas, Hindu-majority Jammu and Buddhist-majority Ladakh, in a combined entity known as Jammu and Kashmir. Autonomy would place the Jammu Hindus under Muslim dominance. To avoid this, they have frequently enlisted the support of Hindu nationalists in other parts of India to block autonomy moves.

RESOLVING THE KASHMIR CONFLICT

As the first step toward a solution of the dispute over Kashmir, India would have to split the state, integrating most of Jammu and Ladakh with the Indian Union while giving special autonomous status to a new state in which the Kashmir Valley would be united with the sizable Muslim pockets in Jammu and Ladakh. India could then offer to give this new state far-reaching autonomy as part of a Trieste-type solution under which Pakistan would grant the same degree of autonomy to Azad Kashmir.¹⁰

Both New Delhi and Islamabad would surrender authority to these new entities except in the areas of defense, foreign affairs, communications, and currency—including the right to conduct foreign aid and foreign trade dealings independently. New Delhi and Islamabad would withdraw their armed forces under UN-supervised arrangements while retaining the right to reintroduce them under specified circumstances. Islamabad would terminate its support for insurgents in the Kashmir Valley. The present Kashmir cease-fire line would become an international border. As in the Trieste settlement, it would be a porous border, with Kashmiris free to travel back and forth without Indian and Pakistani visas. Islamabad would retain Gilgit, Hunza, and Baltistan, thus maintaining its access to China.

Such a settlement, accompanied by large-scale economic inputs, would be acceptable to many Liberation Front leaders and a growing number of war-weary Kashmiris. India, however, shows no signs of moving in this direction. Indian policy is to crush the insurgency militarily before pursuing a political solution.

New Delhi fears that giving Kashmir special autonomous status would set a precedent for demands by other states. The controversy over what to do in Kashmir is part of the developing debate over whether the entire Indian federal system should be more decentralized. This debate is directly linked to the sensitive problem of Hindu-Muslim relations in India. Nominally, India is a secular state, but the secular principle is under attack from the Hindu right. Advocates of secularism fear that an autonomous, Muslim-majority Kashmir would end up seeking independence or accession to Pakistan, thus exposing the 90 million Muslims in other parts of India to continuing attack as potential traitors.

The struggle over the terms of the power relationship between the Hindu majority and the Muslim minority in South Asia goes back more than seven centuries. Invading Muslim armies conquered perennially feuding Hindu kingdoms and gradually established a series of

⁹The *Kidnapping and Execution of Mashir ul-Haq and Abdul Ghani: An Explanation* (Pamphlet published by the Jammu and Kashmir Liberation Front central secretariat, Saddar, Rawalpindi, Pakistan, April 26, 1990).

¹⁰The Trieste model has been put forward in India by Kuldip Nayar in "Kashmir: A Way Out," *Hindustan Times*, July 15, 1991, p. 15. For the text of the Trieste agreement, see John C. Campbell, ed., *Successful Negotiation: Trieste 1954* (Princeton: Princeton University Press, 1976), pp. 159–167.

strong dynasties culminating in the Mughal Empire. The Indo-Pakistani relationship today can be understood only in the context of powerful historical memories of lost glory on the part of the Muslims and equally potent Hindu memories of past domination. For Hindus, the creation of Pakistan was traumatic. At best it was assumed that the Muslim state would return to the fold; at worst that it would become a deferential junior partner within an Indian sphere of influence.

The Indian leaders who agreed to partition did not bargain for the cold war and the inflated bargaining power that Islamabad would acquire through three decades of American military aid. Above all, they did not foresee the possibility of a nuclear-armed Pakistan.

Pakistan is pursuing its nuclear weapons option precisely because it believes that India will sooner or later seek to undo partition. For this reason, Islamabad is not likely to accept a Kashmir settlement unless it is accompanied by a larger rapprochement that eases its deep sense of insecurity. Such a rapprochement would have to include both the mutual reduction and redeployment of conventional forces as well as nuclear arms-control agreements.

Akram Zaki, the secretary general of the Pakistani Foreign Ministry, told me in November 1991 that agreements focused on nuclear restraint alone would be of dubious value to Pakistan, since "the very purpose of developing nuclear weapons would be to neutralize India's conventional superiority." India would no doubt insist on maintaining its superiority, given its larger size, but support is growing in New Delhi for mutual force reductions in which both sides would cut their forces by the same agreed percentage. Air Commodore Jasjit Singh, the director of the Institute of Defense Studies and Analyses, said last November that even a 35 percent reduction in India's offensive capabilities would leave the country with larger conventional forces than it had when it fought Pakistan in 1965.

HOW SHOULD THE US RESPOND?

What are American interests in South Asia, and how should the United States pursue them?

At one extreme of the emerging debate in the administration of President George Bush and in Congress is the argument that India's nuclear and missile programs are prime examples of a third world military threat that requires American preparation for a "nuclear expeditionary force" and space stations equipped with antimis-

sile weaponry.¹¹ The United States should prevent India from becoming a major power and should continue to arm Islamabad in order to counterbalance New Delhi.

The polar opposite of this view is that the United States should encourage the growth of Indian military power, shifting from a pro-Pakistani tilt to an India-centered policy. American and Indian interests are converging, it is said, at a time when the Soviet threat has vanished, Islamic fundamentalism is growing, and Sino-American frictions are intensifying.

Both these views run counter to the widespread sentiment, especially in Congress, that South Asia is of little or no importance to the United States. India will continue to be too poor and too unstable to be more than a military nuisance. From this perspective, it would make little difference to the United States if India and Pakistan had another war—even a nuclear war. Their development problems are so enormous that "friendship" would be a costly, one-way street. Except for trade and investment on favorable terms, the best policy is one of benign neglect.

The recommendations that follow proceed from the fundamental premise that what happens in India and Pakistan, which together contain one-fifth the human race, will be of profound long-term concern to the United States. Both countries are major battlegrounds in the worldwide struggles between democratic and authoritarian political models and between secular values and religious fundamentalism. Both face brutalizing poverty that breeds a mood of desperate nationalist xenophobia with anti-Western overtones. Apart from humanitarian considerations, if India and Pakistan fail to cope with their problems, their people will increasingly migrate to more prosperous countries, including the United States, adding to third-world immigration pressures that are already creating unmanageable social tensions in Europe. Another war or the Balkanization of the subcontinent would accelerate such an exodus, in addition to making the region a new focal point of international conflict as outside powers try to exploit local rivalries.

In strategic terms, my assessment that India is likely to emerge as a major military power suggests that American access to the Indian Ocean and to a lesser extent the Persian Gulf will require a compatible relationship with the Indian navy. Moreover, as Islamic fundamentalism grows throughout the Islamic world, including the former Soviet republics of Central Asia, American and Indian interests will indeed increasingly converge.

In its economic competition with Japan, the United States has limited opportunities to penetrate areas where the Japanese grip is already strong, such as Southeast Asia. By contrast, India and Pakistan, with a combined middle-class population totaling more than 250 million, will offer growing trade and investment opportunities. India, in particular, with the world's third-largest pool of technically trained manpower, is emerging as an important manufacturing center.

¹¹The Joint Strategic Target Planning Staff Advisory Group, headed by Air Force General Lee Butler, reporting on a five-month study, recommended such an expeditionary force, armed with bomber and submarine-launched weapons as well as tactical nuclear weapons. See "U.S. Urged To Cut 50% of A-Arms," *The Washington Post*, January 5, 1992, p. 1. Anti-missile space stations are advocated in Mahnken, op. cit., pp. 578-579.

In formulating its future policies in South Asia, the Bush administration should consider seven guidelines:

Avoid Involvement in the Indo-Pakistani Military Rivalry

The 1959 mutual security agreement with Pakistan is an anachronism. It should be formally terminated, and the United States should make clear that it has no residual commitment to assist Pakistan in an Indo-Pakistani war. At the same time, to avoid fanning regional tensions, all forms of concessional military sales to Pakistan should be ended, and similar sales to India should be barred. Joint manufacturing ventures in the defense field and commercial sales of military equipment would be permitted in cases where they do not give one country a technological advantage over the other or otherwise contribute to an arms race. Sales of dual-use technology with clear military relevance would also be screened on a case-by-case basis to avoid stimulating an arms race.

While the United States has already suspended military aid to Pakistan, it is not the end of the cold war that led to the suspension. Rather, it is the congressional requirement making such a cutoff mandatory unless the president can certify that a country does not "possess" a nuclear weapon. There is a possibility that concessional military sales will be resumed as part of a bargaining process in which Pakistan accepts a compromise formula for circumventing this ban.

The rationale that has been put forward for a resumption of military aid is twofold. First, resuming aid would be a small price to pay for putting the nuclear genie back in the bottle. Second, the United States should remain an active player by coupling continued aid to Pakistan with efforts to increase military cooperation with India. This military leverage, it is argued, together with economic support, can be used to promote regional cooperation as well as restraint in their nuclear and missile programs. But past attempts to use military aid to restrain Pakistan's nuclear program have been a conspicuous failure. The experience of the cold war decades shows that the United States cannot orchestrate the balance of power between India and Pakistan. American military involvement in the subcontinent fuels regional tensions and directly undermines the ability of the United States to act as a neutral mediator.

Enlarge Multilateral Economic Support

In addition to increasing its support for the World Bank, the International Monetary Fund, and the Asian Development Bank, the administration should request a four-year replenishment of the Asian Development Fund, the soft-loan arm of the Asian Development Bank, in which the American share should be at least \$2 bil-

lion, as against the \$584 million provided in 1988. Congress should also amend the legislative ban on both military and economic aid to Pakistan to permit a resumption of United States economic aid.

Condition Aid on Economic Reforms

The expansion of economic support should be linked to the fulfillment of economic reform criteria. Economic support should not be tied to security criteria such as reductions in defense spending or the curtailment of nuclear or missile programs. While budgetary solvency is a necessary condition, it should be left to recipient countries to decide how to achieve it.

Former World Bank President Barber Conable, Jr., has proposed that international lending agencies deny credits to any country whose defense spending exceeds 5 percent of its gross national product or is twice the total of its combined spending on health and education. Neither India nor Pakistan would be affected by this proposal, but congressional pressures for more stringent restrictions are growing.

Promote a Regional Rapprochement

The United States should encourage an Indo-Pakistani rapprochement in which a Kashmir settlement patterned after the Trieste model is pursued together with negotiations on conventional force reductions and pullbacks. Only after a rapprochement can efforts to prevent a nuclear arms race be effectively pursued.

Support for the Trieste model would be consistent with the current United States emphasis on a bilateral resolution to the Kashmir issue on the basis of the 1972 Indo-Pakistani Simla agreement rather than internationalization of the dispute. When and if India and Pakistan agree on a Kashmir settlement, they should invite the UN to monitor the withdrawal of military forces and the cessation of Pakistani support for the insurgents.

Support Indian Membership in the UN Security Council

As part of an overall policy designed to make the UN more representative, the United States should support India's membership in the Security Council, together with that of Japan, Germany, Brazil, and Nigeria. Given China's long-standing membership, the omission of India from such a reform would engender lasting bitterness that would be directed primarily at Washington.

Give India and China Equal Treatment

The American tendency to treat Beijing as more important than New Delhi has long been a major irritant in Indo-American relations. Washington rails at China for not becoming a democracy, but it minimizes the fact that India already is one. In American imagery, a strong, powerful China is often contrasted with a "basket-case" India. In reality, as a World Bank study shows, judging the relative success of two countries with different economic models and political values is not easy.¹²

¹²World Bank, *China: Long-Term Development Issues and Options* (Washington, D.C., 1985), Annex 5, especially tables F1-4 and 3.5-3.15.

China's growth rate has been higher in recent years, but India's overall development record compares favorably with China's and in some respects has been more impressive. Moreover, while India has not yet emulated China by deploying nuclear weapons, the image of a militarily impotent India is increasingly outdated.

China has received preferential treatment in the sale of military and dual-use technology in return for allowing the United States to operate intelligence installations in Xinjiang to monitor Soviet military activities. This is one of the reasons why the value of dual-use sales to China was nearly six times greater than those to India in 1990 (\$2.9 billion versus \$550 million). Apart from the issue of whether this tilt toward China was justified, the end of the cold war now makes it possible to adopt more even-handed policies toward New Delhi and Beijing.

The United States has offered to lift restrictions on the sale of certain dual-use technology China needs for its missile and space programs if it joins the Missile Technology Control Regime (MTCR), which would bar China from exporting missiles with a range exceeding 300 kilometers (483 miles) and a payload of more than 500 kilograms (227 pounds). The rationale for this questionable policy is that Beijing's space and missile programs are too far developed to be stopped. Yet as we have seen, India is not far behind China and is no less determined to join the military big leagues.

A logical corollary to the administration's offer would be to adopt a similar approach toward India if New Delhi is willing to restrict its exports of missiles and missile components by joining the MTCR. But liberalizing dual-use sales would conflict with the objective of avoiding entanglement in the Indo-Pakistani military rivalry. The administration should thus reconsider its proposal to Beijing. A definitive decision on this difficult issue involves larger judgments concerning the relative importance of protecting American technology and limiting missile proliferation.

Above all, the United States should pursue an even-handed approach on the nuclear issue. The fact that China has long been a nuclear power with ICBMs and IRBMs targeted at India makes it self-defeating for the United States to pursue nuclear arms-control policies in South Asia that do not take this reality into account. By asking India to ignore the threat posed by China, Washington will only damage its relations with New Delhi.

Encourage Nuclear Restraint

American policy should be based on recognizing that India and Pakistan are both capable of deploying nuclear weapons. Administration efforts to promote a mutual "rollback" or "freeze" of their nuclear capabilities are not likely to succeed in the face of deep-rooted nationalist resistance, especially to the intrusive inspections necessary for verification. A more promising approach is another American initiative now unfolding to encourage a nuclear arms-control dialogue between India, Pak-

istan, the United States, China, and the Commonwealth of Independent States.

The United States should indicate its readiness to join with these powers in a South Asian nuclear-free zone agreement. This concept would involve mutual pledges not to deploy nuclear weapons in an area encompassing India; Pakistan; the Tibet and Xinjiang regions of China, where Beijing deploys IRBMs targeted at India; and the Diego Garcia atoll in the Indian Ocean. Since the no-deployment pledges would not cover China's ICBMs, such an agreement would also require explicit pledges by Beijing and the other two nonregional powers not to use their nuclear capabilities against India and Pakistan. New Delhi and Islamabad would pledge not to use their capabilities against each other.

A no-use pledge would conflict with United States policies that reserve the right to use nuclear weapons first in the event of conventional aggression in Europe and South Korea. Whatever its justification during the cold war, this policy should now be abandoned.

The "first use" policy is part of an overall United States nuclear posture that clashes directly with nuclear nonproliferation objectives. Indian and Pakistani officials often point to this policy as well as to the administration's rejection of proposals from the former Soviet Union and others for a comprehensive nuclear test ban. How can the United States be a credible advocate of nonproliferation, they ask, while it not only continues to maintain a large nuclear weapons stockpile but also adheres to cold war attitudes on "first use" and a test ban?

CONFLICTING ROLES

Cutting across all the specific policy problems confronting the United States in South Asia is a conflict between the American desire to play the role of the "only superpower" and the deep-seated determination of both India and Pakistan to defend their sovereignty. This is not irreconcilable. New Delhi and Islamabad will need substantial American economic cooperation for many years and are searching for ways to adapt to American pressures on economic and security issues. To avoid self-defeating collisions, however, the United States must adapt to the political realities in the two countries, especially on the nuclear issue.

Given a recognition of the limits to its power, the United States can build increasingly close and profitable relationships with both India and Pakistan. It need not and should not once again choose sides. By actively supporting economic development through multilateral channels, it can improve the chances for stability and for the survival of open societies. By adopting a detached military posture, Washington can avoid involvement if war should break out. Such a posture is a necessary precondition for American efforts to promote a rapprochement between New Delhi and Islamabad as the first stage in a larger pattern of regional cooperation that will include their South Asian neighbors. ■

"After the 1989 elections, Indian politics came to be seen as following what might be called, rather loosely, an Italian model or, less benignly, an Indian version of the French Fourth Republic—a situation in which no single party commands a parliamentary majority and, punctuated by periodic crises, governments are formed in a pattern of shifting coalitions."

After the Dynasty: Politics in India

BY ROBERT L. HARDGRAVE, JR.

The assassination of Rajiv Gandhi in May 1991 brought an end to the dynasty that had dominated the politics of "the world's largest democracy" for nearly half a century.* Rajiv Gandhi, at the age of 40, had succeeded his mother, Indira, as prime minister after she was assassinated in October 1984 by two Sikh bodyguards. Indira Gandhi's murder was in retaliation for the Indian army's storming of a Sikh shrine, the Golden Temple at Amritsar, in an attempt to remove Sikh terrorists who had made the site their headquarters.

Less than two months after assuming office, Gandhi's leadership was confirmed in December 1984 when his Congress (I) party won parliamentary elections with 49 percent of the vote—its highest percentage ever—capturing 79 percent of the seats in the Lok Sabha, the lower house of Parliament.

Gandhi had been an Indian Airlines pilot and had only reluctantly entered politics in the early 1980s after the death of his younger brother Sanjay (who had been groomed to succeed Indira). But in his first year as

prime minister he demonstrated considerable political skill and vision in reaching accords in the states of Punjab and Assam, where terrorism and insurgencies posed serious challenges, and in replacing the rhetoric of socialism with a commitment to economic liberalization. In seeking to free the Congress (I) party from corruption, he was portrayed as "Mr. Clean." However, the accords were unfulfilled, liberalization was half-hearted, and the party's old guard reasserted itself. Revelations of kickbacks in a major Indian arms purchase from the Swedish firm Bofors implicated the prime minister's office, and the term "Bofors" came to symbolize widespread corruption. On the defensive, Gandhi withdrew deeper into his coterie and lashed out at his opponents. The Indian press attacked him as immature, indecisive, and isolated.

In his own party Gandhi faced growing factionalism and dissidence. Congress (I) was organizationally in disarray, and its base of support had begun to erode, particularly among Muslims and the "untouchables," groups that often made the critical margin of difference in Congress (I) electoral victories.** The party lost a succession of state assembly elections, bringing nearly half of India's 25 states under opposition party control. But Congress (I) remained the only all-India party, and the opposition was divided among several fractious and contending groups whose strength was regionally concentrated.

THE OPPOSITION'S UNIFICATION

The opposition had united against Indira Gandhi in 1977 to defeat Congress (I), but its government, headed by Prime Minister Morarji Desai, collapsed in 1980 because of petty feuds and personal rivalries. Subsequent attempts to forge a united opposition involved a series of mergers and splits, but efforts to unite were continually frustrated by the mutual hostility of the Hindu nationalist Bharatiya Janata party (BJP) on the right and the two Communist parties and their allies on the left, and by ambitious personalities in centrist parties who were unwilling to yield leadership to any rival. But in

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*With only two short breaks, Jawaharlal Nehru, his daughter Indira Gandhi, and her son Rajiv led India for all but five years since independence in 1947.

**Editor's note: Increasingly, the term "scheduled caste" has replaced "untouchable" in referring to the 400 castes that were placed on a list, or "schedule," by the government beginning in 1935 to receive special benefits because of their historical deprivation, including the reservation of legislative seats, government posts, and places in educational institutions (a program similar to affirmative action in the United States). See Eleanor Zelliot, "Dalit: New Perspectives on India's Untouchables," in Philip Oldenburg, ed., *India Briefing*, 1991 (Boulder, Col.: Westview Press, 1991).

1988, V. P. Singh emerged as the catalyst of opposition unity.

Singh, a former Congress (I) chief minister of Uttar Pradesh, had served under Rajiv Gandhi as the minister of finance and later as minister of defense. There his efforts to ferret out evidence of kickbacks for foreign defense contracts (including the Bofors scandal) led to his dismissal from the Cabinet and, soon after, expulsion from Congress (I). Joined by others who had been expelled for "anti-party" activity (including Arun Nehru, Gandhi's cousin and once his closest adviser), Singh formed the People's Front to challenge Gandhi's leadership. Attracting large crowds wherever he went, Singh gained national visibility and was projected to become the next prime minister if the opposition could unite behind him.

With elections to be held no later than December 1989, seven opposition parties—four centrist national parties and three regional parties—met in July 1988 to hammer out a coordinated strategy. In an atmosphere of confusion and interparty conflict, the four national parties—the Janata party, the Lok Dal, the Congress-Socialist (S) party, and Jan Morcha—merged to form the new Janata Dal under Singh's leadership. The regional parties—the Telugu Desam in Andhra Pradesh, the Dravida Munnetra Kazhagam (DMK) in Tamil Nadu, and the Asom Gana Parishad in Assam—kept their separate identities, but joined with the Janata Dal to form the National Front.¹

The National Front reflected the regional strengths of its constituent parties, and support for Janata Dal, though "national" in name, was largely concentrated in north India. On its own, the National Front would be unable to secure a parliamentary majority, and a divided opposition would likely ensure, as it had so many times before, a Congress (I) majority. However, the BJP and the Left Front, although regarding each other as unacceptable allies, were prepared to enter separately into electoral adjustments with the National Front on a constituency-by-constituency basis.

†Editor's note: "Backward classes" refers to historically disadvantaged groups, such as the scheduled castes, scheduled tribes, and other non-scheduled castes.

¹Portions of the discussion of the 1989 elections and the National Front government are adapted from Robert L. Hardgrave, Jr., "South Asian Internal Politics and Policies," in Robert A. Scalapino and Gennady I. Chufirin, eds., *Asia in the 1990s: American and Soviet Perspectives* (Berkeley, Cal.: Institute of East Asian Studies, University of California, 1991), pp. 196–197.

²For analyses of the 1989 elections, see Atul Kohli, "From Majority to Minority Rule: Making Sense of the 'New' Indian Politics," in Marshall M. Bouton and Philip Oldenburg, eds., *India Briefing, 1990* (Boulder, Col.: Westview Press, 1990); and Walter K. Andersen, "Election 1989 in India: The Dawn of Coalition Politics?" *Asian Survey*, vol. 30, no. 6 (June 1990).

This strategy was possible because the BJP's strength was mainly in the states of Madhya Pradesh, Himachal Pradesh, Rajasthan, and Gujarat, while the Left Front was largely confined to its strongholds of Kerala and West Bengal, where the Communist party of India-Marxist (CPI-M) was the ruling party. Thus when elections were called for November 1989, the National Front, the BJP, and the Left entered into negotiations in some 400 constituencies to select one opposition candidate (usually from the locally strongest party) to face the Congress (I) candidate in a straight fight.

Facing a largely united opposition, Congress (I) was at a structural disadvantage. Moreover, Rajiv Gandhi had lost the appeal he had in 1984 and was beleaguered by charges of corruption. The opposition portrayed him as pro-rich, pro-urban, and, with a Westernized life-style and a foreign-born wife (Italian-born Sonia), out of touch with the people. At the national level, the elections were fought as a referendum on Gandhi, but voters were influenced by a range of local factors and by ethnic and religious considerations.

The election results did not render a clear verdict. For the first time, no party won a majority of Lok Sabha seats. Congress (I), with 40.3 percent of the vote, emerged with the largest number, 193, but the opposition parties arrayed against Gandhi commanded enough seats to form a government. On December 2, 1989, V. P. Singh was sworn in as prime minister, heading a minority coalition government of the four parties that had contested the elections as the National Front alliance: Janata Dal, which had 141 seats, and the three regional parties, which won only 2 seats. Lacking a parliamentary majority, the National Front government depended on the outside support of the 88 seats held by the BJP and the 52 seats held by the Left Front. These two groups chose not to join Singh's Cabinet to avoid the taint of direct association with each other.²

THE V. P. SINGH GOVERNMENT

Janata Dal, the principal constituent of the National Front coalition, was heir to the Congress culture, and all its leaders had been at one time or another in the Congress party. Its ideological embrace included market capitalists, Gandhians, and unreconstructed socialists, but its essential thrust, like that of the Congress party, was centrist and pragmatic, and this was the orientation of the new prime minister. Even before taking office, Singh was under siege from within his own party, and during the 11 months of his tenure his government was immobilized as he struggled for political survival.

Singh's Janata Dal was a party of clashing personalities that included Chandra Shekhar, a self-styled socialist who had sought the prime ministership for himself; a bitterly disappointed claimant, he was excluded even from the Cabinet. Another contender for power, Devi Lal, the leader of the peasant "backward castes"† and political boss of Haryana state, struck a last-minute deal

with Singh and became deputy prime minister and minister of agriculture. But in mid-March, less than four months after the government had been formed, Devi Lal precipitated a crisis in response to opponents' attacks against him and his son, Om Prakash Chautala, the chief minister of Haryana, for violence and vote fraud in the Haryana assembly elections. The confrontation and events that followed, culminating in July with Singh's removal of Devi Lal from the Cabinet, were farcical, but they underscored the fragility of the government and of Janata Dal itself.

Devi Lal now joined with Chandra Shekhar to bring down the government. Both had factional support among Janata Dal members of Parliament, but the 1985 antidefection law helped secure the party against the splits that were once the bane of Indian legislative politics.³ Moreover, at this point Singh was the only leader who could hold the National Front together and keep its outside support. But as head of a minority government, the prime minister was vulnerable. Both the Bharatiya Janata party and the Left Front had given him a vote of confidence in Parliament, but if either group were to withdraw its support, the government would likely fall.

SEPARATISM IN PUNJAB, ASSAM, AND KASHMIR

With his government in place, Singh turned to the regional demands for autonomy. These demands were not new—as a multiethnic country with distinct

regional identities, India has long faced demands for increased regional autonomy. But the centralization of authority under Indira Gandhi had sharpened them. Nowhere was this more dramatic than in Punjab, Assam, and Kashmir, where separatist movements have posed major challenges to India's unity.

In Punjab, the Sikh Akali Dal movement for greater state autonomy and for protection of the Sikh religion

was eclipsed by Sikh militants, who had turned to terrorism in a struggle for an independent nation of Khalistan. In one of his first acts as prime minister, Singh reached out to Sikh moderates by visiting the Golden Temple and by establishing special courts to try those involved in the anti-Sikh riots after Indira Gandhi's assassination. But the government's early initiative was soon replaced by indecision and drift, and efforts to find a political solution in Punjab were frustrated by divisions among Sikh leaders and continued violence.

Assam, in India's northeast, faced heightened violence because of demands by tribal groups for special protection through the creation of an autonomous region within the state. But the more serious challenge to

the government was posed by the United Liberation Front of Assam (ULFA). This group, with a vaguely Maoist ideology, launched an insurgency for Assam's secession from the Indian union.

Singh faced his most pressing problem in Kashmir, India's only state with a Muslim majority. The Jammu and Kashmir Liberation Front and an assortment of separatist and fundamentalist groups initiated a wave of strikes, bombings, and assassinations in 1988, and the state government lost effective control to the separatists. When the National Front took power, turmoil in Kash-



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³Under the law, legislators lose their seats if they break from their party, but splits are permitted, allowing potential defectors to retain their seats if such a split involves at least one-third of the party's members in the legislature.

mir increased, and the central government dismissed the state government and imposed direct rule, only to face widespread resistance and a mounting death toll.

But Kashmir was more than a domestic problem: Indian charges that Pakistan was arming and training the insurgents brought the two countries to the brink of war. The government's approach was schizophrenic, reflecting divisions in Janata Dal and its external support. Elements of the government, backed by the Left Front, favored negotiation with the Kashmiri separatists for a political solution; hard-liners, buttressed by the BJP, pushed for a military solution.

THE RESERVATION ISSUE

In supporting the National Front government, the BJP assumed the role of watchdog in what party leader L. K. Advani called a "process of consultation." But Advani was not consulted when Prime Minister Singh decided in August 1990 to reserve 27 percent of all central government jobs for backward castes in addition to the 22.5 percent already reserved for scheduled castes and tribes. The announcement brought widespread press criticism and strong opposition from members of higher castes, especially students. In New Delhi and other urban areas in north India, violent protests, acts of self-immolation, and police shootings raised the specter of a "caste war" and deepened social conflict.

In deciding to adopt the recommendations for reservations that had been made by a commission a decade earlier, the government appealed directly to one of its major constituencies, the peasant castes that make up 52 percent of the Indian population. The National Front platform had supported the reservations as a commitment to equity and social justice, but the timing and haste with which Singh made the decision—immediately after the expulsion of Devi Lal from the Cabinet—suggested that the prime minister sought to undercut his Janata Dal rival's base of support among the backward castes. The Left Front and the BJP expressed displeasure at not having been consulted and indicated, each for its own reasons, that education and income, rather than caste, should be the criteria for job reservation.

THE AYODHYA AFFAIR

The BJP also believed that the reservation issue divided the Hindu community. To galvanize Hindu sentiment behind it, party president Advani launched a *rath yatra* (chariot rally), a 10,000-kilometer journey in a van fashioned to look like a mythological chariot across the heartland of north India to Ayodhya in Uttar Pradesh. It was here at the supposed birthplace of Lord Rama that construction of a new temple was to begin.

The site had long been disputed between Hindus and Muslims; in the sixteenth century the Mughal emperor Babur built a mosque on the site where Hindus claim a temple stood marking the birthplace of Rama. In 1989, before the elections, efforts by the Vishwa Hindu

Parishad and other Hindu revivalist groups to demolish the mosque at Ayodhya and "to recapture injured Hindu pride" through the construction of a new temple precipitated perhaps the most serious Hindu-Muslim rioting since the partition of India in 1947.

The BJP supported the temple movement; Janata Dal, courting Muslim support, sought a mediated settlement. In the wake of violence and as the 1989 elections approached, the Vishwa Hindu Parishad—probably at the behest of the BJP—canceled a march in Ayodhya, but then set October 30, 1990, as the day to begin construction. As that date neared, tens of thousands of Hindu militants, led by Advani, converged on Ayodhya.

The prime minister warned that an interim order by the Indian high court to secure the status quo at the disputed site would be enforced and that the mosque at Ayodhya would be protected "at all costs." On October 23, as they were about to enter Uttar Pradesh in the drive to Ayodhya, Advani and other BJP leaders were arrested, and the party withdrew its parliamentary support from the national government. At the same time, the arrests and clashes in Ayodhya between paramilitary forces and Hindus intent on destroying the mosque sparked a wave of Hindu-Muslim violence that left more than 300 people dead. Hindu militants withdrew from Ayodhya with the promise to return.

In Parliament, as the vote of no confidence approached, Chandra Shekhar engineered a split in Janata Dal, denying Singh support from a substantial portion of his own party. With only the backing of the Left Front and what was left of the National Front, Singh lost the vote, 142 to 346, and submitted his resignation.

THE CHANDRA SHEKHAR GOVERNMENT

President R. Venkataraman, in accordance with parliamentary custom, invited Rajiv Gandhi, as the leader of the largest party in the lower house, to form a government. As expected Gandhi declined, preferring to build his party's strength for an election at a time of his own choosing, and gave his support to Chandra Shekhar. With a majority in Parliament behind him, Chandra Shekhar was sworn in as prime minister on November 10, and six days later won his vote of confidence, 280 to 214 (with 11 abstentions and 17 absentees). Devi Lal became deputy prime minister, the position he had held in the National Front government.

Chandra Shekhar, a firebrand socialist from Uttar Pradesh, had been one of the founders of the Janata party and later became its president. He only grudgingly yielded leadership of the new Janata Dal to Singh. After losing his December 1989 bid to head the National Front government, he began efforts to undermine Singh. In this he was allegedly financed by firms that Singh had investigated for tax fraud while he was finance minister under Rajiv Gandhi. Chandra Shekhar, an ardent opponent of multinational corporations and foreign investment, also cultivated the support of business interests

seeking to secure their protected markets and sheltered inefficiencies.

A strident critic of Gandhi's economic liberalization (of which Singh, as finance minister, had been a chief architect), Chandra Shekhar found himself as prime minister dependent on Gandhi and Congress (I) for survival. That he was on a short tether and exercised power at Gandhi's sufferance was underscored by the statement of a Congress (I) spokesman: "I do not expect any problems to arise because we do not expect Mr. Chandra Shekhar to do anything that is inconsistent with Congress ideology and policies."

There were problems from the very beginning, first over the formation of the Cabinet (which took 11 days) and Chandra Shekhar's inclusion of people, such as Rajiv Gandhi's estranged sister-in-law Maneka Gandhi, who were anathema to Congress (I). With Congress (I) unwilling to participate in the government, Chandra Shekhar had a limited array of prospective ministers to draw on. His lackluster Cabinet was soon diminished by a ruling of the speaker in the Lok Sabha that eight Janata Dal (Socialist) members of Parliament, including five who were members of the Cabinet, had violated the terms of the antidefection law and thus forfeited their membership in Parliament. This reduced the number of Janata Dal (Socialist) seats to 54.

On Ayodhya, Chandra Shekhar called for a "healing touch and cooling down of tempers," and tried to bring the Hindu and Muslim adversaries together to negotiate. He called for direct talks with Muslim separatists in Jammu and Kashmir, and took the initiative in opening talks with Sikh militants in Punjab—drawing fire from Gandhi for his action. Chandra Shekhar permitted United States planes to refuel in India as they flew from bases in the Philippines to Saudi Arabia during the Persian Gulf war in early 1991. But after Gandhi (courting Muslim voters sympathetic to Iraq) denounced the decision as a violation of India's nonalignment and threatened to withdraw Congress (I) support, Chandra Shekhar rescinded the permission.

Chandra Shekhar's attempts to define his own policies were fundamentally constrained by his dependence on Congress (I). On economic policy, abandoning his earlier position in clear deference to Congress (I) policies, Chandra Shekhar said that he would "welcome" liberalization and foreign investment, and he accepted the terms set by the International Monetary Fund (IMF) for a major loan. Under pressure from Congress (I), Chandra Shekhar moved against National Front regional parties in Assam and Tamil Nadu, dismissing their governments and imposing direct rule.

The situation in Assam had clearly deteriorated, and the state government was unable to cope with the heightened violence and insurgency. In Tamil Nadu, across the Palk Strait from Sri Lanka, direct rule was imposed allegedly because the ruling Dravida Munnetra Kazhagam government had permitted Sri Lankan Tamil

guerrillas to operate with impunity, contributing to a breakdown of law and order in the state. That the DMK government had ties to the guerrillas was clear, but the state experienced far less disorder than north Indian states such as Bihar and Uttar Pradesh. The opposition called a nationwide strike to protest what they said was an unconstitutional and politically motivated act.

Chandra Shekhar and Gandhi deeply distrusted each other, since they both knew it was only a matter of time before Gandhi would withdraw support, forcing elections that he believed would return Congress (I) to power. Chandra Shekhar was not prepared to relinquish power so easily. Even before taking office, he had established contact with Congress (I) dissidents and was believed to be engineering a revolt against Gandhi that would enable him to merge his party with Congress (I) and to assume leadership of a new Congress party. For his part, Gandhi was in contact with dissidents in both Janata Dal (Socialist) and Janata Dal, and it was rumored in February 1991 that Gandhi had met with Venkataraman to discuss the possibility of forming, without new elections, a Congress (I)-led coalition government.

On March 5, 1991, Congress (I) members of Parliament walked out to protest the surveillance of Gandhi by plainclothes police officers from the Haryana state government (which was under the control of Deputy Prime Minister Devi Lal). Their assignment, denounced by Congress (I) as "political espionage," was to note which Janata Dal (Socialist) members of Parliament Gandhi was seeing. The next day, Chandra Shekhar, informing Parliament that he was no longer able to function as prime minister, resigned and asked the president to call elections. Venkataraman in turn asked Chandra Shekhar to continue as head of a caretaker government until elections could be held.

THE 1991 ELECTIONS

Three rounds of parliamentary elections were scheduled for May, with simultaneous elections in five states (Haryana, Uttar Pradesh, Bihar, West Bengal, and Kerala) and one union territory (Pondicherry). The troubled states of Assam and Punjab were to conduct polling separately in June for both Parliament and state assemblies. Jammu and Kashmir, paralyzed by insurgency, would not hold elections. Facing an electorate of 521 million voters, more than 9,000 candidates filed for 537 seats in the Lok Sabha and 20,000 for the 1,456 assembly seats up for election.

The pattern of electoral confrontation varied from state to state, but overall, with Chandra Shekhar's Samajvadi Janata party—the new name of the Janata Dal (Socialist)—having only limited support, the contest for power was essentially triangular—Janata Dal and its regional and Left allies (forming the National Front); the BJP; and Congress (I). The National Front under V. P. Singh emphasized social justice, with Janata Dal's particular appeal directed to the backward castes (the intended beneficiaries of the job reservations program) and Muslims (for

whom Singh's "secular" stand on Ayodhya had special appeal). The BJP, with the symbol of Ayodhya, appealed to Hindu sentiment and challenged what it portrayed as the "privileges" accorded Muslims and other minorities under India's secular state. Congress (I), led by Gandhi, promised political stability and offered itself as the only party that could provide a workable government.

No party was expected to secure a clear majority, but public opinion polls pointed to Congress (I) as likely to win the largest number of seats and thus give Gandhi the chance of forming a coalition government. But on May 21, having taken his campaign to Tamil Nadu after the first round of voting, Gandhi, along with 17 bystanders, was killed in a powerful explosion. Forensic experts determined that the assassin was a woman who had detonated a bomb strapped to her body when she bent forward to touch Gandhi's feet in a traditional act of homage. Further clues identified her as part of a conspiracy by Sri Lankan Tamil guerrillas to assassinate Gandhi, probably in retaliation for his role in sending Indian troops to Sri Lanka in 1987 to try to end a guerrilla war there and in pushing for a crackdown on Tamil guerrilla operations from Tamil Nadu.

The government feared widespread violence after the assassination and postponed the second and third rounds of voting until June 12 and 15. Hoping to attract a sympathy vote and papering over deep divisions in the party, the Congress (I) high command invited Sonia Gandhi to succeed her slain husband as party president. When she declined, the party turned to P. V. Narasimha Rao, a former foreign minister who at 69, in poor health, and without a political base, was perceived to be without ambition and thus an acceptable compromise.

With the non-Congress parties divided, Congress (I) was able to translate 38 percent of the vote into 225 parliamentary seats, an increase from its 196 seats in 1989 but still short of a majority in the Lok Sabha.⁴ The results reflected what analysts saw as a sympathy vote in the second and third rounds, with an increase both in voter turnout and in support for Congress (I) accounting perhaps for as many as 30 to 40 seats. The shift was most notable in rural areas and among women and Muslims. As in 1989, the party's greatest strength was in the south, but while it picked up seats in the north, Congress (I) was virtually wiped out in Uttar Pradesh and Bihar. In state assembly elections, it won in Haryana, Kerala, and Assam, and its All-India Anna Dravida Munnetra Kazhagam ally took power in Tamil Nadu.

⁴For analyses of the elections, see *India Today*, July 15, 1991, pp. 10–44; and Walter K. Andersen, "India's 1991 Elections: The Uncertain Verdict," *Asian Survey*, vol. 31, no. 10 (October 1991).

⁵Rao had not contested the elections, and he was thus named prime minister contingent on his election to the Lok Sabha within six months. In by-elections held in November, Rao won a "safe" Congress (I) seat in Andhra Pradesh.

The BJP raised its strength in Parliament from 88 to 117 seats, and increased its share of the vote from 11 percent in 1989 to 20 percent. The party's gains were dramatic in Gujarat and Uttar Pradesh. In the latter, with support from upper-caste Hindus and the backward castes, the party rode the Ayodhya issue to power in assembly elections, forming the first BJP government in India's most populous state. But in a seeming judgment on poor government in the three states where the BJP had taken power in the 1990 assembly elections—Madhya Pradesh, Rajasthan, and Himachal Pradesh—the party lost parliamentary seats.

The National Front fared poorly, with Janata Dal reduced from 141 to 56 seats in Parliament and garnering only 11.6 percent of the vote, as compared with 17.6 percent of the vote in 1989. Janata Dal strength was concentrated in Bihar, where the Janata Dal chief minister, a backward-class leader, turned out the vote by appealing to the reservations proposal. The Left Front held its own, increasing from 44 to 48 seats, with about 9 percent of the vote. The CPI-M held its majority in the West Bengal assembly, but lost Kerala to Congress (I). Chandra Shekhar's Samajvadi Janata party won only 5 seats in Parliament.

As the results came in, Sharad Pawar, the powerful Congress (I) chief minister of Maharashtra, made a bid for the party leadership, but contending factions within the party, each unwilling to yield to the other, again compromised on Rao.⁵ On June 21, Rao was sworn in as prime minister and given four weeks to prove in a vote of confidence that Congress (I) could command the parliamentary support necessary to govern as a minority government. Rao's Cabinet accommodated the party's various factions and included the three strongest contenders for party leadership.

The vote of confidence came on July 15. No party was prepared to face new elections, and none wanted to assume responsibility for bringing down the government. Congress (I) and its allies cast 241 votes in favor of the motion; the BJP, with 111 members present, voted against; and 112 of the National Front and Left Front members of Parliament abstained. Each of the opposition parties indicated its willingness to support the government selectively, "issue to issue," and Rao, reaching out to the BJP for support on one set of issues and to the National Front and Left Front on another, began a balancing act as he tackled issues that divided the parties: economic policy, job reservations, Ayodhya, and regional separatism.

RAO IN POWER

The new government's first actions were to correct India's pressing economic problems and the most serious balance of payments crisis since independence. Seeking loans from the IMF and adopting what Indian economists had increasingly prescribed, the government devalued the rupee and moved to reduce the budget deficit, cut subsidies, and liberalize the economy through a reduction of licensing requirements and allowing more foreign invest-

ment. The reforms, set out by Finance Minister Manmohan Singh, represented a dramatic reversal of the autarkic policies of "the license-permit raj" that were the hallmarks of India's commitment to socialism.

Deregulation has been generally welcomed, as has the opening to foreign investment, albeit more cautiously. The policy reforms—at this point still limited—have the tacit support of the BJP and a portion of the Janata Dal. In opposition are some protected industries; elements of the bureaucracy for whom licensing has been a source of power and personal profit; and the left, for whom socialism is both a matter of faith and the platform from which it appeals to the poor and dispossessed. Government spokesmen have declared the reforms "irreversible," and indeed, economic compulsions—together with the IMF—may give Rao's government little choice.

The budget has been more troublesome. Austerity measures to cut subsidies and reduce deficits immediately drew fire from within the Congress (I) party, for which populist programs had so long provided political succor. The proposed reduction in fertilizer subsidies touched an especially sensitive area. In response to direct protests by farmers, and to pressure from Congress (I) politicians who feared loss of support in their rural constituencies, the government backed down. The subsidy issue underscores the constraints under which Rao's government acts, and rising prices and potentially heightened urban discontent are likely to limit further the government's ability to control budget deficits.

Rao has had more success with his announcement that the government would implement the reservations program for backward castes, with preference for the poorer segments of the population, and an additional 10 percent of all central government jobs reserved for the disadvantaged in higher castes. The police were alerted for renewed demonstrations, but the announcement was greeted with a comparatively mild reaction from those who had earlier protested. With 52 percent of the Indian population designated as "backward," no political party was prepared to speak out in opposition, and Janata Dal was robbed of the issue that had become its virtual reason for existence.

Ayodhya was another matter. The Congress (I) government made common cause with three other parties against the BJP to secure passage of an act freezing the status of all religious shrines at the time of independence—except for the disputed Ayodhya site, whose case was before the court for adjudication. The BJP was committed to the construction of the Rama temple on the site where the mosque stands, and it was this issue that was its vehicle to power in Uttar Pradesh.

But in its control of the state government, the BJP faced a serious dilemma. It was under mounting pressure from the Vishwa Hindu Parishad to demolish and relocate the mosque, but to do so would bring it into confrontation with the central government and result, almost assuredly, in the dismissal of the BJP government for defiance of the court order protecting the mosque. Moreover, with aspira-

tions for power at the national level, the party wanted to broaden its support, and it feared popular reaction against renewed turmoil over Ayodhya at a time when most Indians seemed to want nothing more than stability.

Unrest had surely not eased in Punjab, Kashmir, and Assam, and the government responded with continued force against terrorism and insurrection. In Assam, the new Congress (I) state government renewed efforts against the guerrilla ULFA. By December 1991 the guerrilla group had called a cease-fire, and on January 15, 1992, after a secret meeting in New Delhi with Rao, the guerrillas agreed to end attempts to set up an independent state and Rao ordered the Indian army to suspend its campaign against the guerrillas.

In Kashmir, with no prospect for political dialogue, the military engaged Kashmiri separatists as New Delhi, warning of dire consequences, denounced Pakistan for supporting them. In Punjab the situation deteriorated further, with more than 5,000 people killed in 1991 by either Sikh terrorists or government forces. Parliamentary and state assembly elections had been scheduled for June 22, but one day before the polling, the election commissioner—thought to be pressured by Congress (I)—canceled the elections, citing the unrest, and rescheduled them for September. These too were canceled, and with elections set for February 15, 1992, the government moved nine army divisions into Punjab, augmenting police and paramilitary forces, to ensure that elections are conducted with minimal violence and intimidation.

INSTITUTIONALIZED INSTABILITY?

After the 1989 elections, Indian politics came to be seen as following what might be called, rather loosely, an Italian model or, less benignly, an Indian version of the French Fourth Republic—a situation in which no single party commands a parliamentary majority and, punctuated by periodic crises, governments are formed in a pattern of shifting coalitions. The 1991 elections again failed to produce a parliamentary majority, and Rao oversees a minority government that depends for its survival, issue by issue, on at least tacit support from members of the opposition.

The inherently unstable nature of such government can be institutionalized—as it is in Italy—but it can also be transformed through party realignment. The rise of the BJP serves as a powerful force to consolidate at least the "secular" parties of the center. Beyond Congress (I) itself, these centrist parties and their leaders are splinters of the Congress party, alienated by Nehru or by Indira or Rajiv Gandhi, and they could well return to the fold.

India is evolving an essentially triangular alignment of forces at the national level, with variations among the states. With the left largely limited to its regional strongholds, the battle for power under conditions of realignment will be fought between the BJP and Congress—perhaps no longer with the "I" for Indira. The dynasty gone, Congress could well reemerge as the majority party. ■

"India's economic prospects could be brighter, but the present government's efforts must be considered the most serious attempt since independence to dismantle a regulatory system that many believe has kept India's economic performance well below its potential."

India's Economic Reforms: The Real Thing?

BY ALAN HESTON

According to textbooks on economic development and the doctrines of the World Bank and the International Monetary Fund, India's economy has been inward looking, following policies of import substitution that have failed to stimulate rapid growth. Controls on and regulation of the economy are said to make it more profitable for Indian firms to sell in domestic markets rather than to export; in contrast, outward-looking economies like those of South Korea and Taiwan have achieved rapid economic growth by expanding their export markets. In this view, the obvious remedy for India's economic problems, and one of the conditions imposed by the World Bank and IMF for their loans, is to remove the regulations that have turned the Indian economy inward.

These arguments are not new, and many of the criticisms are indigenous. Several Indian commissions have recommended deregulation, but their reports have often been ignored, or the attempts at reform have been ineffective. Many believe that in the past year India has at last not only accepted the need for reform but has overcome resistance to it and has seriously begun to dismantle the country's industrial-licensing system and foreign-exchange controls. At issue is whether the current efforts are really of a different character than previous attempts.

THE BACKGROUND TO REFORM

Economic reform has been a dominant theme in India since Prime Minister Rajiv Gandhi tried to liberalize and modernize the country's economy. Nor has all the talk of reform been simply talk. Many important, perhaps irreversible changes in rules and regulations have been introduced, especially in the surprising first 200 days of P. V. Narasimha Rao's term as prime minis-

ter, which began in June 1991. However, given past failures to implement reforms, Rao's recent measures should be judged against India's development experience since independence in 1947.

The foundation of business regulation in India begins with the Statement of Industrial Policy in 1945, followed by the Industrial Policy Resolution of 1948. These policy statements were implemented in legislation under the Industries Development and Regulation Act (IDRA) of 1951, which set the framework for the government's control of investment in India. Armaments, atomic energy, and railroads were placed under central government control, and the expansion of iron and steel production, ship-building, aircraft manufacturing, mining, and communications were to be state or central government undertakings, in part because it was thought that it would be difficult for the private sector to raise the required capital. Most consumer goods industries were left to the private sector.

IDRA suggested priorities for industrial expansion, and sought to aid small industries, prevent concentration of private capital, and spread industrial expansion across India. The act also called for registration of undertakings and licensing of all increases in capacity through a Licensing Committee, which was set up in 1952. Apart from the licensing, imported capital goods had to be cleared through the Capital Goods Licensing Committee, and where government financing was required, additional approvals were necessary.

If one were to choose a particular control agency in India for a "bad press" award, the Directorate General of Technical Development would win by acclamation. The lower level civil servants in the DGTD, as in many organizations, wield power by saying no and risk review by saying yes. In this the DGTD is not different from other Indian regulatory agencies, except that it was initially assigned more checkpoints in the licensing procedure. These checks examined the technical soundness of the project, the environmental impact of effluents, the need for additional capacity given existing production and export possibilities, the relationship between the capac-

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ity sought and the capital stock of the enterprise, and the degree to which the additional capacity would make use of indigenous inputs. The whole licensing process has been criticized for delays and corruption and for treating applications sequentially, without regard to alternative proposals in the pipeline; for failure to establish criteria for decisions; for poor handling of information; and for failure to review implementation of approved projects.

In 1956 a new industrial policy statement indicated a preference for state ownership of industries that were called the commanding heights of the economy, a phrase borrowed from Soviet planning literature. These statements and the legislation were intended to help make socialism the basis of India's political and economic system.¹

By the 1960s many in India were convinced that the regulatory measures that were designed to aid economic development were impeding it. No fewer than four commissions were established in that decade to examine the industrial licensing system, and they all concluded that it had failed to channel investment to plan priorities, choose the best projects, disperse investments regionally, prevent economic concentration, or encourage small-scale industries. Many reform proposals flowed from the reports of these commissions but few changes were introduced as a result, and the ensuing course of international events pushed India closer to the socialist camp.

After the United States began to tilt toward Pakistan in the early 1970s, there was even less support for more market-oriented policies. During the populist years of the Indira Gandhi government, there were attempts to speed up the overall process of issuing licenses, but some important additional hurdles for new ventures were actually added. In 1973 a reorganization established a Secretariat for Industrial Approvals, which was to coordinate and expedite applications. Under the Monopolies and Restrictive Trade Practices Act and the Foreign Exchange Regulation Act, foreign or large firms were required to seek the approval of additional committees. While there were time limits set for processing applications at each stage, the various ministries and committees that reviewed the application could require it to be approved by as many as 35 officials in up to 12 different departments. Rarely would an application be approved in less than six months, and yearlong delays were frequent. The tradition that one department would not overrule the decision of another department also added to the complications of obtaining approval.

Licensing procedures create their own supporters among the businesses that receive licenses and wish to exclude new licensees and among the bureaucrats who

can often sell their license-approval power for financial or other considerations. These strong vested interests have continued to make reform difficult in India. Firms that have licensed capacity—and in some cases may not even be using it—do not want additional capacity to be authorized for competitors. In general, firms that have received approval for projects, including permission to import inputs, enjoy a partial monopoly in their markets, and usually earn substantial profits and are therefore in a financial position to lobby to maintain controls.

Various licensing procedures and regulations apparently have not only inhibited growth but often have worked against employment expansion. Most labor legislation in India is a heritage from the British, who had been lobbied by manufacturers in England to make labor costs high for Indian producers by requiring worker benefits. This legacy remains and has been reinforced by laws that make retrenchment by employers difficult, leading them to hire as few permanent workers as possible.

Reserving certain industries for small-scale producers is laudatory in terms of creating employment, since small firms usually hire more workers per unit of output and per unit of capital than large firms do. However, in the interest of promoting small-scale production no less than 836 items are reserved for production in small-scale enterprises. This policy penalizes the expansion of successful small firms and leads to high-cost production where economies of scale exist.

THE SITUATION IN THE EARLY 1980s

Despite the system of controls, economic growth accelerated from 1947 until the early 1980s. The growth was not uniform over time or across the country; however, by 1980 India produced a broad range of consumer and capital goods and was exporting manufactured goods, including transport equipment, in addition to traditional commodities like tea. A major disappointment was the slow growth of employment and the large number of people below the poverty line concentrated in certain regions and among the scheduled castes (the so-called untouchables) and tribes, traditionally the lower income groups. Despite these accomplishments many Indians felt that compared to the growth in South Korea or Thailand, India had not achieved its potential.

Moreover, for many Indian leaders the luster was wearing off the Soviet and Eastern European economic model. The Soviet Union and India had engaged in barter trade, but neither found much to buy from the other. There was a general sense that technology was changing much faster than the economic systems in the Eastern bloc and India were able to keep up with. The communications revolution and the flow of consumer goods to India from Indians who had gone to the Middle East for employment made many Indians aware that the quality and technological level of domestically produced goods were not up to world standards. That these

¹Much of the discussion in this section is based on Rakesh Mohan, "Delicensing," *Seminar* (New Delhi), April 1991.

same forces were affecting China, the Soviet Union, and Eastern Europe, and that they had catalyzed the economic reform movements in Hungary and Poland as well as China were well known to Indians.

When Rajiv Gandhi succeeded his mother as prime minister in 1984, his emphasis on bringing India rapidly up to date with the new technologies was well received. The confrontational character of business-government relations in the 1970s changed to accommodation, if not cooperation. Rajiv Gandhi also pushed for reforms in licensing and foreign-exchange regulations. His government introduced several reforms to circumvent the bureaucracy, with some success. These included broader interpretations of capacity so that a firm with a license to expand bus production, for example, was allowed to expand the production of any vehicle. Requests by new, smaller firms or firms seeking small increases in capacity could be approved more quickly, since many checkpoints could be avoided. In some cases, whole areas of production were exempted from licensing hurdles if they employed new technology. These factors, combined with more readily available foreign exchange, substantially improved the economic environment.

For foreign firms the situation was more liberal in at least two respects. Perhaps most important was the government's seeming recognition that foreign exchange is fungible; thus if foreigners invested in nonessential industries, such as hotel development, the government accepted that this might, depending on the financing arrangements, free or earn foreign exchange that could be used for high-technology imports. The previous blanket rejection of foreign investment in nonessential areas was thereby substantially reduced. Second, India, like China and many other countries, set up duty-free production zones. These, however, had only modest success, in part because doing business in India involves substantial paperwork compared to other countries.

During Rajiv Gandhi's tenure the economy grew at least 5 percent annually, and India was seen as developing a large middle-class market while also pursuing programs of self-employment for the rural poor. However, few of the reforms were fundamental, and this may have led to Gandhi's electoral defeat despite an apparently buoyant economy. Some reform efforts, like raising the minimum capital expenditures requiring government approval, were clearly broad based and encouraged the entry of new firms.

However, many reforms simply substituted one hurdle for another—for example, exempting certain high-tech industries from the usual channels of approval. While these exemptions bypass a group of bureaucrats, the exemption still must be given and often it is by politicians. This changes the actors and plot, but not the

outcome. And when exemptions are given by politicians there is even more suspicion that payoffs are involved. Certainly, one of the principal issues that led to Gandhi's electoral defeat was corruption involving payoffs or kickbacks to politicians close to the prime minister.

During the brief term of Gandhi's successor, V. P. Singh, there was no retreat from reforms, yet India remained what Columbia University economist Jagdish Bhagwati calls a proscriptive economic regime.² Bhagwati has noted a dichotomy between the proscriptive policies of countries like India and Pakistan and the prescriptive policies of economically more successful countries like South Korea. The difference is not the extent of government involvement. Instead, prescriptive policies try to push the economy (sometimes wrongly) in certain directions through active policies, leaving other areas free for private activity. Proscriptive policies grant bureaucrats the power to say no to most private initiatives, creating quasi-monopoly rents for those obtaining licenses or import quotas, and thereby creating forces to maintain the proscriptive regime.

WHAT IS DIFFERENT ABOUT THE 1991 REFORMS?

Should we expect the recently instituted economic reforms to be somehow different than past reform? Yes, if the statements of Prime Minister Rao, Finance Minister Manmohan Singh, and Commerce Minister P. Chidambaram are to be believed.

Rao's surprising economic initiatives include the following major changes that are encompassed in a New Industrial Policy:

- The abolition of licensing for all but strategic reasons, hazardous chemicals, overriding environmental concerns, and luxury goods. Increases in capacity to produce steel, for example, will no longer require a license.
- Firms no longer require prior approval for new production, mergers, or expansion of production under the monopoly regulation act.
- The minimum size of a firm that can use the special facilities and concessions for small-scale enterprises has been raised for firms producing for export.
- Foreign firms may now own more than 50 percent of a wide variety of their subsidiaries in India and in trading companies in export markets.
- Public-sector enterprises will facilitate private-sector production by providing infrastructure such as power and transportation.

These new policies have been followed by the government's sale of public-sector enterprises. The 32 enter-

²Jagdish Bhagwati, *Protectionism* (Cambridge: Massachusetts Institute of Technology Press, 1988).

prises initially being offered are earning profits, so the private sector is not being presented with the dregs. This offering represents perhaps 5 percent of the total assets of the government's 225 public-sector enterprises. With these sales, which are expected to raise 2.5 trillion rupees (Rs) over two years, the central government hopes to reduce its Rs 2-trillion annual budget deficit.

India is also making it easier for unprofitable firms to close their doors, a particularly difficult thing to do in India. The Reserve Bank of India has facilitated this by providing guidelines for subsidized loans to so-called sick firms from financial institutions (as well as tax concessions and subsidies from central and state governments). These increased from Rs 18 billion in 1981 to Rs 63 billion (about \$3 billion) in 1987. Most loans were to industries such as textiles (34 percent), engineering (23 percent), chemicals (5 percent), and paper (5 percent). In the past subsidized lending has sometimes been compounded by the public sector taking over some sick enterprises, transferring private losses to the taxpayer. Of the 1,382 applications received by March 1991, liquidation has been recommended for only 14 percent of the firms, while 27 percent were provided with rehabilitation packages; the remaining cases have not yet been decided.

Most economists regard rehabilitation packages (subsidies including loans and tax concessions) as throwing good money after bad, since they penalize efficient producers. In late 1991, the World Bank agreed to give India \$500 million to fund a program to facilitate the exit of unprofitable firms by offering welfare benefits and retraining to affected workers. If successful, this would be a major step in the elimination of inefficient units.

While Indian and foreign firms have generally approved of these reforms and proposals, actual results have been less positive. There have also been strong objections to the proposals from the opposition in India, especially because of the IMF's association with many of the changes.

India's budget deficits, which have amounted to as much as 6 percent of gross domestic product in recent years, have put strong inflationary pressures on the economy. IMF conditions typically seek to reduce these deficits in ways that are often politically touchy. For example, some have estimated that the deficits could be

reduced and tax revenues increased if the government eliminated subsidies and tax concessions. Such subsidies affect the distribution of electrical power, sold to agriculture at Rs 0.14 per unit and to industry at Rs 1.16 per unit in 1989 and 1990. Eliminating this subsidy to agriculture would yield large budget savings but cause major protests among large farmers. It is estimated that between 70 percent and 100 percent of tax revenues in India are lost through subsidies and exemptions.

Regulatory reform in agriculture has been a less pressing concern than reforming industrial regulations, since government policies mainly affect agricultural inputs like power, fuel, fertilizers and tractors, prices of outputs, and taxes. Prices for farm products have improved since 1980, stimulating respectable growth in output between 1980 and 1991 of 5 percent per year for food grains and higher growth for cash crops, despite shortfalls due to monsoons in 1986 and 1987.

How likely is it that the reform efforts will succeed? The present leadership has done more in six months to bring about real reform than other governments have in the previous 45 years. The results have been mixed. The rupee has been devalued, but this has not improved dollar earnings from exports, though many believe this is because exports are underreported. Industrial production has fallen in automobiles and other sectors, some of which is attributable to declining internal demand (itself a consequence of reforms) and constraints on capital availability that even the gains from economic liberalization will not overcome.

However, Moody's Investors Service has recently given its blessing to the improvements in India's balance of payments position and to the viability of Indian government debt. Good news like this is unlikely to overcome the opposition of those in the bureaucracy and many intellectuals and political leaders who believe that some control system is necessary to achieve India's socialist goals. Finally, the association of the reforms with the IMF, the World Bank, and multinational enterprises makes them vulnerable to attack by the opposition. India's economic prospects could be brighter, but the present government's efforts must be considered the most serious attempt since independence to dismantle a regulatory system that many believe has kept India's economic performance well below its potential. ■

Nearly a year and a half into his term, the new prime minister, Mian Nawaz Sharif, has shown himself adept at allaying the fears of the military and rejuvenating the economy. However, "the military remains confident of its ability to solve Pakistan's economic and social problems. That it has chosen to stay in the background for the moment is largely because of Western impatience with politically ambitious Pakistani military leaders."

Pakistan's Cautious Democratic Course

BY SHAHID JAVED BURKI

The death of General Muhammad Zia ul-Haq in a 1988 airplane crash brought about a profound change in Pakistan's political structure. Zia had come to power in 1977 after overthrowing the elected government of Zulfikar Ali Bhutto. Unlike the country's first military ruler, Field Marshal Muhammad Ayub Khan, who proclaimed his 1958 coup a "revolution" with the aim of promoting economic development, Zia never fully explained the reasons for his takeover. It was also clear that he and his fellow officers were not ready to handle the responsibilities of ruling Pakistan. Ayub Khan stayed in power for nearly 11 years largely because he was able to fulfill his promise to improve the economic fortunes of Pakistani citizens. Zia held political power by simply outwitting his opponents.

The confusion caused by Zia's sudden departure from the scene gave the military the opportunity to assume power once again. But it chose instead to step off the political stage and watch developments from the wings. This decision was motivated by three considerations. First, senior military officers were well aware of the importance the West now attached to democratic development. Direct military intervention in politics would not have been viewed with indifference. The military's close links with the United States Defense Department and its dependence on American aid made it responsive to the West's political preferences. Second, with Zia gone, the military did not have a leader who commanded the respect and loyalty of the entire senior officer corps. Even if General Mirza Aslam Beg, the deputy chief of army staff, had wanted to assume power, he would have met with resistance from some commanders.

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Third, the constitution stipulated that in the event of the president's death, resignation, removal, or incapacitation, the chairman of the Senate was to take over as acting president. Ghulam Ishaq Khan, who held the Senate post, was a highly respected figure with a long record of service, first in Pakistan's civil service and later as minister in charge of finance and economic development under Zia. Moreover, Ishaq Khan had close ties with the military and had served as secretary general of defense in the Bhutto administration. As Zia's finance minister he had generously committed resources for defense. The military thus felt comfortable in letting Ishaq Khan take control.

The constitutional provision for the transfer of power notwithstanding, Ishaq Khan waited for a signal from the armed forces before assuming office. It came a few hours after Zia's death, following a meeting in Rawalpindi, the headquarters of the armed forces, that was chaired by Beg and attended by senior army officers. The officers called on Ishaq Khan to abide by the constitution and become acting president.

THE FIRST ISHAQ KHAN INTERREGNUM

Ghulam Ishaq Khan became acting president on the evening of August 17, 1988. He appointed Beg to succeed Zia as the army chief of staff and invited him, along with the naval and air chiefs, to sit on an advisory council to oversee the functioning of the government. Ishaq Khan retained the caretaker Cabinet composed mainly of technocrats that Zia had appointed in May after his dismissal of Prime Minister Muhammad Khan Junejo, and announced that the next general elections would be held on November 17, the date that had been set by the late president.

Zia's death and the military's decision not to intervene caught politicians—in particular those belonging to the Pakistan People's party, which was led by Zulfikar Ali Bhutto's daughter, Benazir—totally unprepared. The PPP had assumed that Zia would not hold elections on the promised day; that he was working on another constitution to return the country to the presidential system

Results of the November 1988 National Assembly Elections

	Punjab	Sind	North-West Frontier	Baluchistan	Others	Total
Pakistan People's party	52	31	7	1	1 ^a	92
Islamic Democratic Alliance	44	—	8	2	—	54
Minor parties	5	—	7	6	—	18
Independent	12	15	3	2	8 ^b	40
Total seats	113	46	25	11	9	204 ^c

a—The PPP won the only seat in Islamabad.

b—All eight seats allocated to the Federally Administered Tribal Areas (FATA) were won by independent candidates.

c—Elections were held in 204 out of 207 constituencies. Elections were postponed in three constituencies because of the deaths of candidates.

Source: "PPP triumphs!" *Pakistan Times* (Islamabad), November 20, 1988, p. 1.

Ayub Khan had introduced in 1962; and that the only option available to the opposition was to launch a street campaign to prevent Zia from changing the political system. With Zia gone, the opposition had to reorient itself and prepare for the elections. The dead general's colleagues were equally unprepared to contest the elections. They were now leaderless, divided into several political groupings that had only one common concern: fear of the PPP.

Three challengers ultimately emerged: the PPP, the Islamic Democratic Alliance (IJI), and the Muhajir Quami Movement (MQM). The IJI was a loose coalition of several right-of-center parties, the largest of which was the Pakistan Muslim League. The MQM was a new political party to advance the economic and political position of the *muhajirs*, the refugees who had migrated to Pakistan from Delhi, Uttar Pradesh, Bihar, and Madhya Pradesh states when India was partitioned in 1947. The PPP campaigned for the full restoration of democracy—including repeal of the eighth amendment to the 1973 constitution, which had strengthened the office of the president at the legislature's expense. Bhutto's party also urged greater social justice, especially for the underprivileged, but promised not to hinder the private sector. The IJI's manifesto pledged to continue Zia's policies, in particular those furthering the Islamization of the economy and society.

The PPP clearly held the advantage. Bhutto evoked the memory of her father and fought for change. She benefited from the public's desire, after 11 years of military rule, to see different leaders in power. The IJI, however, did not have a clear leader. None of its candidates could match Benazir Bhutto's charisma or dynamism.

The election results surprised all three parties. The PPP did less well than expected, particularly in Punjab, the province of its birth and greatest popularity during the years of Zulfikar Ali Bhutto. The MQM swept to victory in Karachi and Hyderabad, the largest cities in Sind province. The IJI made a strong showing in Punjab, par-

ticularly in the provincial elections, in which it won the majority of seats. While no party emerged with a majority in the national assembly, the PPP won the most seats.

THE ADMINISTRATION OF BENAZIR BHUTTO

The social, economic, and professional groups that Benazir Bhutto later labeled the "Islamabad establishment" hesitated before asking her to form a government. The civil and military bureaucracies, large businesses and industries, and the upper middle class had good reason to fear the PPP's return: all of them had been seriously hurt by the policies of her father's PPP government. This establishment turned to Ishaq Khan for protection while Bhutto busied herself with winning the MQM and other small parties to her side in Parliament. It took two weeks to reach an understanding before Benazir Bhutto was sworn in as prime minister. She agreed to several conditions set by the establishment: to leave military affairs in the hands of the military, to pursue Zia's policies in Afghanistan, to cooperate with the IJI government in Punjab, and to implement the economic structural adjustment program the caretaker government had negotiated with the International Monetary Fund and the World Bank. To ensure that these conditions would be observed, Bhutto also agreed to the establishment's demand that her party help Ishaq Khan become president. Ten days after she became prime minister, the PPP joined with the IJI and MQM in Parliament to elect him president.

It soon became clear to Bhutto that she had paid a high price for the prime minister's office. She began to evolve a strategy to free herself from the constraints imposed by the establishment's conditions, namely to install a PPP government in Punjab, to wrest from the president authority to appoint senior military officers, and to cultivate powerful friends in Washington. Only one part of this strategy succeeded: during her 20 months in office she won the hearts and minds of the Western world.

The effort to gain PPP control of Punjab's state government required "horse trading"—a form of politicking that was to be repeated while Bhutto served as prime minister. Bhutto sent Farouk Leghari, her trusted lieutenant, to Lahore to win the support of independent members of the provincial assembly (those who were not formally affiliated with any political party) and to split the ranks of the IJI. The switch in political loyalty was to be rewarded with appointments to high office, with government favors such as the granting of licenses to set up new industries, or simply with large cash payments. The IJI administration responded in kind and offered the same set of incentives, successfully maintaining control of the provincial assembly.

Bhutto was equally unsuccessful in establishing authority over the military. In the effort to accomplish this, she fought on two fronts. The prime minister suspected the military's Inter-Services Intelligence of political skulduggery. Lieutenant General Hamid Gul, the ISI director general, was moved to a different position, and a retired army officer, Shamsur Rahman Kalu, was recalled to service and appointed in his place. Encouraged by the success of this move, Bhutto sent a proposal to President Ishaq Khan in the summer of 1989 recommending the early retirement of Admiral Iftikhar Ahmed Sirohey, the chairman of the joint chiefs of staff. Ishaq Khan argued that he was not bound by the constitution to take the prime minister's advice on these matters. The "Sirohey affair" dragged on for several months. The prime minister ultimately relented, but the episode soured her relations with the president and made her even more suspect in the eyes of the military.

A FOCUS ON INDUSTRY

Turning her attention to the economy, Bhutto adopted three approaches to spur an economic rejuvenation. First, she tried to bring the private sector back to the center of economic activity. Her father's policies of nationalization and public-sector expansion had discouraged private entrepreneurs. They remained highly suspicious of the PPP even after Zulfikar Ali Bhutto's death, and when Benazir Bhutto became prime minister they became even more nervous. Bhutto sought to reassure the private sector by allowing nongovernment investment in industry. Her administration also streamlined the process of granting industrial licenses by setting up an investment bureau in the prime minister's office.

The second element of the prime minister's program provided the private sector with easy access to investment funds from government-controlled banks. In the 1960s the administration of Ayub Khan had promoted a similar program to provide funds for industrial entrepreneurs. Like the government of Ayub Khan, Benazir Bhutto's government also wanted to broaden the base of industrial ownership by bringing in new entrepreneurs. The investment bureau in her office

worked overtime to grant hundreds of new licenses. Bhutto later claimed that she had done much to advance Pakistan's industrialization.

There was a great deal of truth in this claim: Pakistan's emergence as a major textile exporter in the early 1990s is largely the result of hundreds of new mills that were sanctioned by the Bhutto government. But the prime minister received more blame than credit for her policies, since there was widespread feeling that her investment bureau had favored her friends and political associates in granting licenses.

The third part of the economic program was to centralize decision making in Bhutto's own hands. This meant not only putting herself at the center of the economic stage, but recapturing some economic decision-making authority that had devolved to the provinces under Zia. Despite pressure to appoint a full-time finance minister, she retained the portfolio herself. And in dealing with the provinces, in particular with Punjab, she took the path of confrontation rather than accommodation. She failed to summon the Council of Common Interests, a body constituted in 1973 to resolve disputes between the central and provincial governments, and allowed relations with the provinces to deteriorate rapidly.

WINNING FOREIGN HEARTS AND MINDS

The highly charged domestic political environment and Bhutto's interest in foreign affairs led the prime minister to spend most of her energies courting foreign funds and trying to influence foreign governments. Her main purpose in pursuing the latter was to remove the tarnish on Pakistan's external image produced by the years of military rule and by Zia's efforts to Islamize society. Pakistan could not have produced a better person to accomplish this task than Bhutto, a young, Western-educated woman who had gained political power as a result of fair democratic elections.

The prime minister traveled abroad frequently. Although her visit to the United States in early June 1989 was eclipsed by media attention focused on the massacre of student demonstrators in China and the death of the Ayatollah Ruhollah Khomeini in Iran, she left a deep impression on the executive and legislative branches of the United States government and on the American people. The feeling of trust she left behind paid off in 1989 and 1990 when President George Bush certified to Congress that Pakistan did not possess and was not working on the development of a nuclear bomb. (The certification was required before Congress could approve the large annual United States foreign aid package for Pakistan.)

Benazir Bhutto's second foreign policy success was the change in Pakistan's relations with India. She had been in office for less than one month when she hosted the annual meeting of the heads of state and government of the South Asian Association for Regional Cooperation

Results of the October 1990 National Assembly Elections

	Punjab	Sind	North-West Frontier	Baluchistan	Others	Total
Islamic Democratic Alliance	91	3	8	2	1	105
Pakistan Democratic Alliance ^a	14	24	5	2	—	45
Muhajir Quami Movement	—	15	—	—	—	15
Awami National party	—	—	6	—	—	6
Jamiat-ul Ulema i Islam Fazlur Rahman (JUIF)	—	—	4	2	—	6
Minor parties	3	—	—	5	—	8
Independent	6	4	3	—	8	21
Total seats	114	46	26	11	9	206 ^b

^a—The Pakistan People's party (PPP) was the main component of this alliance. All the PDA seats were won by PPP candidates.

^b—Elections were not held in one Punjab district because of the death of the JUI candidate.

Source: *Dawn* (Karachi), October 25, 1990.

countries in Islamabad. She lavished attention on Indian Prime Minister Rajiv Gandhi, and at a press conference after the meeting it appeared that India and Pakistan were finally moving toward a better understanding of each other's point of view.

There was one almost immediate payoff of improved relations with India: the removal of India's veto on Pakistan's reentry into the British Commonwealth. Pakistan left the Commonwealth in 1972 after Zulfikar Ali Bhutto had balked at Britain's recognition of Bangladesh. Zia wanted to return Pakistan to the Commonwealth but his efforts were blocked by India. Bhutto's daughter succeeded in persuading India to accept Pakistan's return, and she brought her country back into the group in October 1990.

Bhutto had convinced herself that her popularity outside Pakistan would inhibit the Islamabad establishment from striking against her. However, her failure in managing the economy—particularly the aura of corruption and mismanagement that surrounded the prime minister's office—and her inability to cooperate with provincial governments, especially in Punjab, provided enough ammunition for President Ishaq Khan to dismiss her government in August 1990. The dismissal showed that she had been vulnerable on several flanks. Bhutto committed the same mistake her father had made in 1976 and 1977 when he had assumed that fear of public reprisal would prevent the military from carrying out the death sentence pronounced against him by the Lahore High Court on the charge that he was involved in the murder of a political opponent. Bhutto, *père*, was hanged, but the people of Pakistan, though shocked at

losing a popular leader, did not take to the streets.

Benazir Bhutto thought her popularity with several segments of the population and the high esteem in which she was held by many important foreign governments would prevent her opponents from taking the actions that brought her down. "It was a revealing insight into the extent of Bhutto's isolation that right up until troops surrounded her secretariat she refused to believe that she would be ditched," wrote a foreign journalist resident in Pakistan at the time of her downfall.¹

The end to her administration came on August 6, 1990, when Ishaq Khan dismissed the PPP government on charges of corruption and mismanagement, and ordered another set of national and provincial elections. The substance of the president's charges against Bhutto's government will be determined by the courts when they decide the dozens of "references" made to them by the chief executive. These references detail the misdeeds of prominent members of the PPP administration including the prime minister and Asif Ali Zardari, her husband. Most deal with misuse of government authority in allocating licenses for establishing new industries and granting access to cheap credit from state-owned commercial and investment banks.

THE SECOND ISHAQ KHAN INTERREGNUM

There were several profound differences in the institutional arrangements put into place during Ishaq Khan's first and second terms. During the first period, the president relied on a technocratic caretaker government under his chairmanship, and he did not appoint a caretaker prime minister, as required by the constitution. In 1990, however, he appointed a government under a caretaker prime minister who was the leader of the opposition in the dismissed national assembly. Ghulam Mustafa Khan Jatoti, the caretaker prime minister,

¹Christina Lamb, *Waiting for Allah: Pakistan's Struggle for Democracy* (New Delhi: Viking, 1991), p. 277.

appointed a Cabinet whose most surprising choice was Ghulam Mustafa Khar, who had been a Zulfikar Ali Bhutto protégé but fell out with his daughter. Khar was a controversial political figure who, during his self-imposed exile in London during the Zia years, had allegedly worked with Indian intelligence to destabilize Pakistan.²

Pakistanis went back to the polls in October 1990, less than two years after Benazir Bhutto's electoral victory. As in the previous elections the political field was divided among three parties: the slightly left-of-center PPP, which had formed an alliance with two small right-wing parties; the IJI, which retained its right-of-center position on most issues, in particular on the question of Islamization; and the MQM, which continued to campaign on behalf of the *muhajirs*. The election results, accepted by international observers as being reasonably fair, reflected a clear swing in public sentiment against the PPP. Ishaq Khan's charges against Bhutto and her government seemed to have persuaded the voters that the PPP no longer represented their interests. The elections gave the IJI a clear majority in the national legislature and in Punjab. Although the party did not have majorities in the legislatures of the remaining provinces, it was able to influence the formation of the provincial governments. Bhutto and the PPP were defeated decisively. Once again the Pakistani electorate had voted for change.

THE ADMINISTRATION OF MIAN NAWAZ SHARIF

The choice of Mian Nawaz Sharif as Pakistan's new prime minister, like the selection of Benazir Bhutto, was forced on the Islamabad establishment. Sharif's credentials for membership in the establishment were even weaker than Bhutto's had been. He represented a new phenomenon in Pakistani politics: a politician with an urban base and weak links to the powerful civil and military bureaucracies.

But Sharif's emergence in the fall of 1990 reflected Zia's political wisdom as well as the profound structural change in Pakistan since the late 1960s. Zia had picked Sharif to take command of Punjab's politics, convinced that the time was ripe for entrusting the province's fortunes to an urban industrialist rather than a feudal lord. Zia was correct in his assessment: Punjab's economy and society had been significantly reshaped since the 1960s, when Ayub Khan launched Pakistan on the course of rapid economic development.

By the early 1990s, one-third of Punjab's population lived in urban areas; many of its cities, in particular Lahore, Faisalabad, Rawalpindi, and Multan, now had populations of more than 1 million and economies that

were not entirely dependent on the countryside. Urban Punjab, thanks to the migration of about 2 million of the province's people to the Middle East, Europe, and the United States, was exposed to the outside world and influenced by it. And finally, Karachi's ethnic problems had diverted entrepreneurial attention from Pakistan's largest city to the urban centers of Punjab. On November 6, 1990, when Sharif was summoned to the capital by President Ishaq Khan to form a government, it was clear that he was the man of the moment.

In his first year and a half in office, Sharif has shown himself more adept than Bhutto in managing the economy and maintaining political consensus among Pakistan's diverse political and social groups. His performance in making the government accountable is about the same as Bhutto's, but his forays into foreign policy have proved less fruitful.

Sharif has followed an economic policy aimed at rebuilding confidence in the private sector. He has rapidly sold off economic assets that had been nationalized in the early 1970s and created an environment in which the private sector can work efficiently. Although professional opinion was divided on the line to be adopted, he chose to use the "big bang" method—that is, quick and decisive deregulation—rather than cautious privatization. This approach has increased foreign confidence in Pakistan. A conference held under the sponsorship of the Multilateral Insurance Guarantee Agency (MIGA), a World Bank affiliate, last November, produced evidence of considerable foreign interest in investing in Pakistan.

Sharif has also shown an impressive ability to use consensus in dealing with some of Pakistan's seemingly intractable problems. Helped by Finance Minister Sartaj Aziz, he was able to use the Council of Common Interests to reach an agreement on the distribution of the waters of the Indus River system—an issue that had defied accommodation for 70 years. The agreement paved the way for the construction of such massive hydroelectric projects as the dams on the Indus at Kalabagh and Ghazi Gharal, the only viable solutions to Pakistan's serious energy problem.

Sharif and Sartaj Aziz used another institutional device available to the government, the National Finance Commission, to reach an agreement between the central government and the four provincial governments on the distribution of public revenues. This pact devolves to the provincial governments greater responsibility for increasing the tax revenues raised by the government and determining expenditures on social development.

The new government failed, however, to create a legal framework for the government's actions and to ensure that government officials are accountable for their actions. Two incidents in 1991 shook public confidence in the government's seriousness about these intentions. In August it was disclosed that nearly 40 cooperative banks in Punjab had violated their charters by trading

²Tehmina Durrani's *My Feudal Lord* (Lahore: Tehmina Durrani, 1991) contains an exposé of Ghulam Mustafa Khar. The author is one of his several former wives.

in real estate and awarding large unsecured loans to several important leaders in the Sharif administration. The beneficiaries allegedly included members of the prime minister's family as well as those of Shujaat Hussain, his interior minister and a close political associate. The prime minister reacted to these accusations by appointing a judicial commission to investigate them and at the same time freezing the assets of the directors of the cooperatives.

While these initiatives put the cooperative scandal on the back burner, another development rocked the political scene. On December 7, Sardar Shaukat Hayat, a veteran politician who had once served the Pakistan Muslim League, the party that created Pakistan, revealed that "the rulers of Sind have dishonored my daughter," Farhana (Veena) Hayat, in an incident that allegedly occurred on November 27. The opposition pointed a finger at Irfanullah Marwat, an adviser to Jam Sadiq Ali, Sind's chief minister, and Ishaq Khan's son-in-law. It was alleged that Hayat had been robbed and raped by a gang sent to her house by Irfanullah Marwat.

Bhutto and the PPP exploited this incident to attack the president. On December 19, they staged a noisy demonstration in the national assembly as Ishaq Khan opened the 1992 legislative session. In his address, Ishaq Khan obliquely referred to the incident but refused to take any responsibility. The opposition hoped its relentless campaign against the president would show that the "governance" provided by the Sharif government was no better than that offered by Bhutto's administration.

The Sharif government has been even less successful in foreign affairs. It has suffered several significant setbacks, including President Bush's failure to certify to Congress in 1991 that Pakistan's nuclear program is for peaceful purposes. This resulted in the suspension of all American economic and military assistance to Pakistan.

The Pakistani government's somewhat equivocal position during the Persian Gulf war last year—General Beg openly advocated a pro-Iraq stance while the presi-

dent and the prime minister were offering to station Pakistani troops in Saudi Arabia—did not endear it to the states on the Arabian peninsula. This was a costly blunder since the Arab states had repeatedly come to Pakistan's rescue when it faced serious balance of payments crises. When such a crisis developed in December 1990, Arab help was not forthcoming.

Sharif and his colleagues can blame the "new world order" for some of their diplomatic failures. With the collapse of the Soviet Union, Pakistan's geopolitical situation has changed dramatically. Unless it is able to forge a close relationship with the Muslim republics of the former Soviet Union, its usefulness to the Western world will significantly diminish. However, a close association with the former republics of Central Asia—especially Kazakhstan, which is likely to become a nuclear power—would help improve Pakistan's position in the eyes of the global powers.

Pakistan must still establish credible government institutions and carve out a place for itself in the new world order. Its failure in the former task is the result of a continuing imbalance between the development of bureaucratic (both military and civilian) and political institutions. The military remains confident of its ability to solve Pakistan's economic and social problems. That it has chosen to stay in the background for the moment is largely because of Western impatience with politically ambitious Pakistani military leaders.

At the same time, the ongoing squabble between opposing political forces is wresting attention from political development. Bhutto's dismissal in August 1990, the cooperatives scandal in August 1991, the Veena Hayat affair, and the conduct of the opposition in the combined session of Parliament after the affair did not advance political development in Pakistan. The dissolution of the Soviet Union and the turning away from Pakistan of the United States, a steadfast ally in the 1960s and the 1980s, only adds to the uncertainties about the country's future. ■

"The war in Afghanistan will not end until a political settlement acceptable to at least the majority of the Afghan factions is reached and some widely representative transitional arrangements are put in place. Without these, the political and military stalemate in Afghanistan is bound to lead to more violence. Who is hurt more by the prevailing chaos and confusion and which side shows greater signs of war-weariness are irrelevant questions. The Afghan people and society have been hurt beyond imagination by the years of fighting. A formal peace would at least start the healing process."

Afghanistan after the Soviet Withdrawal

BY RASUL BAKHSH RAIS

When Soviet forces completed their withdrawal from Afghanistan in February 1989, many believed that the government of President Najibullah either would disintegrate or would be quickly forced from power by the mujahideen, the Afghan resistance movement. Neither has happened. Instead, the departure of Soviet troops has allowed Kabul's rulers to present themselves as patriots defending Afghanistan's integrity.

Although the mujahideen became more aggressive after the Soviet troops left—quickly establishing an interim government and launching a major attack on the strategically important city of Jalalabad—they were unable to make concrete gains. Despite initial setbacks, the regime retained control of Jalalabad, the loss of which would have considerably changed the military balance in the country. Moreover, a series of coup attempts, which were anticipated because of divisions in the armed forces, failed to dislodge Najibullah. This undoubtedly surprised the president's supporters as well as the foreign powers backing the mujahideen.

Why has Najibullah's regime, in place since 1986, managed to survive the pullout of his patrons? One reason is disunity in the ranks of the Afghan resistance. While Soviet forces were in the country, the mujahideen conducted their guerrilla war under independent commands. The separate fronts opened by the various resistance groups proved effective against government and Soviet troops. But with the end of Soviet military involvement, removing Najibullah from power required a transition from hit-and-run tactics to capturing and

holding territory. This required progress toward forming a national resistance army under unified command and control, which the mujahideen, riven by their differences, have been unable to achieve.

Najibullah has wasted no time in exploiting the resistance movement's lack of cohesion. The government has been able to project an image of itself as the only force in the country capable of maintaining order. While this claim might be disputed, the mujahideen have not been able to show that they are an acceptable alternative. Infighting among the resistance will continue to raise the specter of another round of civil war until an acceptable mechanism is found to transfer power peacefully to a broadly representative authority.

While the resistance's fragmentation has aided Najibullah, the most important reason for his survival is the regime's defense capability. Soviet troops left behind large stockpiles of matériel when they withdrew, and the Soviet Union continued to pour \$300-million worth of weapons into the country each month afterward until November 1991. Also, the regime did not alter its counterinsurgency strategy, and continued to concentrate on defending urban areas and important lines of communication.

KABUL'S CHANGING POLITICAL FAITH

Pressure from Soviet leaders and the political changes in Eastern Europe and the Soviet Union have led the Kabul regime to transform itself. Regime functionaries and prominent leaders no longer defend socialism; they have moved to a liberal, left-of-center position on economic and social issues. Najibullah has jettisoned some ideological symbols associated with the regime. He has altered the name of the country—dropping the "Democratic" from in front of "Republic of Afghanistan"—and, following the pattern of party conversions in former socialist states, changed the appellation of the ruling People's Democratic party of Afghanistan (PDPA) to

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Watan (Homeland). The regime has also discovered that Afghan nationalism and Islamic symbols—the war cries of the opposition—are useful tools for justifying its right to rule. To make the changes more credible and reduce internal resistance, the president has purged some Marxist hard-liners from the Politburo and Central Committee.

A more significant aspect of the regime's transformation is its policy shift from war against all to selective accommodation. The government has targeted individuals and groups alienated by the actions of the mujahideen and offered them concessions ranging from grants of local autonomy for larger groups to the outright distribution of weapons and money. These have encouraged tribal chiefs, some resistance commanders, and ethnic minorities in particular to strike deals with the government. The more trustworthy have been given positions in provincial or central government.

This attempt at "national reconciliation," as the regime calls it, is actually nothing more than a return to the clientage practiced for centuries by the Afghan oligarchy. However, some of the regime's initiatives have been successful. Local chieftains in the north have joined militias organized, funded, and controlled by the government, which has brought them jobs, influence, and increased local power. But the loyalties of the militia members are fleeting; they have successfully played one side against the other, amassing fortunes in the process.

LIFE WITHOUT THE SOVIET UNION

The most powerful and well-organized opposition groups have remained outside the "national reconciliation" process, adamant in their intention to unseat Najibullah. They were heartened by developments inside and outside the Soviet Union as the central government collapsed. The most important internal change, from the viewpoint of the Afghan resistance, has been the shift in political power to the reformist and democratic leadership of Russian President Boris Yeltsin. Yeltsin and his close associates had been critical of Moscow's policy on Afghanistan. With the eclipse of the KGB in domestic and international affairs and the ouster of Communist hard-liners from the Soviet power structure after the failed August 1991 coup, Kabul lost almost all its supporters in the Soviet Union. The regime's political and diplomatic isolation have deepened since then.

Even before the dissolution of the union, Moscow had changed its position on Afghanistan. Last September the Soviet government announced that it would cut off military supplies to the Afghan government after January 1, 1992; it also committed itself to withdrawing all military advisers from Afghanistan and to reducing economic assis-

tance, including food and fuels. In November 1991, Moscow for the first time invited a group of Afghan mujahideen representatives to negotiate a political settlement, and the accords that were reached formally recognized the mujahideen as a legitimate party. To Kabul's further embarrassment, Soviet leaders and the mujahideen issued a joint statement calling for the "transfer of the entire state power in Afghanistan to an interim Islamic government."

As a follow-up to the meeting, Russian republic Vice President Aleksandr Rutskoi visited Iran, Pakistan, and Afghanistan in December. While his primary objective appeared to be the release of Russian prisoners of war still held by the mujahideen, he reaffirmed Moscow's decision not to supply military equipment to Najibullah. But such pledges may not exclude cooperation in economic and technical fields, or some form of diplomatic and political support. However, Russian leaders endorse a cease-fire, intra-Afghan dialogue, and the formation of a joint coalition government, preferably made up of the moderates and non-Communist members of the Afghan government.

The former Soviet republics in Central Asia have not shown a common policy toward the conflict in Afghanistan. Azerbaijan has supported the mujahideen and has called for the dismantling of the Afghan government. The president of Kazakhstan, Nursultan Nazarbayev, fears that doing so would lead to a large influx of Afghan refugees from Kabul into Central Asia if Najibullah is not part of a political settlement. Furthermore, he would like Pakistan to stop supporting the mujahideen.

It appears unlikely that Kazakhstan or any other Central Asian republic will involve itself in Afghanistan's internal affairs. But given the Communist past of their leaders and their secular orientations, they would prefer secular leaders in Afghanistan rather than Islamic radicals. These republics confront Islamic revival in their own territories, and would not like their Islamic movements to develop transnational links.

AN ECONOMY IN FREE-FALL

Although the former Soviet republics may abstain from direct involvement in dismantling the political edifice in Kabul, denying the Afghan government military hardware, fuel, food, and political support would precipitate its downfall. This may not be a well-designed policy of strangling the Kabul regime, but the members of the new Commonwealth of Independent States face serious shortages of food and fuels themselves, and may have little to offer Kabul. The Afghan government has already acknowledged that it has not received the amount of economic assistance it was promised by Moscow.¹

The assistance is important: economic collapse threatens Kabul more than the mujahideen. Dependence on foreign sources—especially the Soviet Union—and total mismanagement have devastated the economy. But the war itself is the single most important factor in ruining the economy. The 12 years of fighting have caused widespread

¹Anwar Doost, the food minister, said in September 1991 that Afghanistan had received only one-third the wheat the Soviet Union had promised. See *Afghan News* (Peshawar), September 15, 1991.

damage to the rural infrastructure. Confiscation of lands by the regime in early 1980s disrupted the land tenure system, and the government may be unable to restore the system since it has no control over the countryside. Shortages and astronomical prices for essential goods have created economic anarchy. Gasoline, diesel, and heating fuels are difficult to find even at higher prices.

The government has said that in the first six months of 1991 it achieved some of the targets set by its annual development plan; even if these claims are true, production in mining and manufacturing has declined compared to figures for 1978 and 1979. The government cites shortages of raw materials and disruption of power supplies—often damaged by resistance groups—as the causes for the slide in productivity. But the inherent flaws in centralized economic planning and the disproportionate allocation of resources to defense cannot be ignored.

The country's export base is limited to natural gas, fruits, animal skins, and wool products, which account for nearly 95 percent of foreign-exchange earnings. For 1990 and 1991, imports were estimated at approximately \$1 billion, leaving a trade deficit of about \$585 million. Most of this was due to imports from the Soviet Union, which had become the country's largest trading partner.

Soviet officials last November drove a "hard bargain" with Kabul, insisting that it would have to meet bills for Soviet imports with shipments of its natural gas and that credit terms will be more stringent in the future. They further pressed Kabul to pay debts due for 1991. The end of Soviet patronage and worsening economic conditions will weaken Najibullah's already beleaguered regime, making it even more vulnerable.

ousting the government

The September 1991 agreement between the United States and the Soviet Union to stop supplying military hardware to their respective clients in Afghanistan, and Moscow's decision to wash its hands of Afghanistan in general, may prompt more radical mujahideen leaders to launch major attacks. Since February 1991, the mujahideen have continually engaged government forces in small but costly battles. With the exception of the Hazarajat in central Afghanistan, almost all regions of the country have witnessed fierce fighting. In the spring of 1991 the resistance scored a major gain when it captured Khost in eastern Afghanistan; the town had been under

siege for years, and the government had made it a point of pride to retain control.

After this victory the mujahideen increased military pressure on the area around Gardez, in the eastern part of the country. Success here would put the resistance groups in a better strategic position. Since the 1989 Jalalabad offensive they have maintained control of 70 miles of the highway to Torkham, a border town in Pakistan; this effectively denies government forces the ability to use the Khyber Pass. The mujahideen also have forced Kabul's forces to deploy along too many fronts and to constantly engage either in defending their turf or in launching offensives to retake lost areas. Although the regime may hold out against the resistance's military pressure, its disintegration under the cumulative weight of economic chaos and the end of foreign supplies of food and weapons cannot be ruled out.

Another factor that could destabilize the regime from within is the rift between the Khalq (People) and Parcham (Banner) wings of the Watan party.² Anxiety and uncertainty in the country could lead individual leaders and groups from both factions to realign along ethnic and tribal lines. Such a realignment was evident in the attempted coup by Defense Minister Shahnawaz Tanai in March 1990. Tanai, a member of the Khalq, joined hands with Gulbuddin Hekmatyar, an Islamic radical but a fellow member of the dominant Pashtun ethnic group, in attempting to oust Najibullah.

Members of the Khalq faction, which helped bring about the 1978 revolution, lost power in the party after the murder of one of their leaders, Hafizullah Amin, in December 1979. This and the Soviet military intervention resulted in the ascendancy of Parcham. Although Najibullah has retained Khalq as a coalition partner, Parcham controls the important institutions. The only exception is the defense portfolio, which is held by Aslam Watanyar, a Khalqi. Inner party rivalry may yet lead to Watan's fall.

divisions among the mujahideen

As was mentioned earlier, the mujahideen have not made the transition to a truly national liberation movement. In fiercely protecting the independence of their various groups, Afghan resistance leaders have failed to reap the benefits of centralized political organization and coordinated military operations. The politics of the resistance are one of bitter discord rather than cooperation. Tribal affiliations, social stratification, and a quest for group identity are some of the factors that help explain the strife within the resistance; social structures and the conflict's evolution have also influenced it.

The belief that all mujahideen groups are essentially Islamic, and therefore fundamentalist, may lead to erroneous conclusions. Raising the banner of Islam made good sense since it mobilized support and legitimized the resistance leadership. But Islamic leaders differ on the interpretation of the constitution of an Islamic state and on its relationship to civil society. The profession of

²Khalq and Parcham were rival Marxist groups before the 1978 revolution. An alliance after the revolution was short-lived, and the two factions then became engaged in a fratricidal conflict. Apart from personality clashes, the leaders of the two sides had conflicting visions of Afghanistan, differing on the nature of ties they felt should be established with the Soviet Union and on the revolutionary restructuring of their country. See Anthony Arnold, *Afghanistan's Two-Party Communism: Parcham and Khalq* (Stanford, Cal.: Hoover Institution Press, 1983).

Islamic ideology in no way constitutes a political consensus, particularly in societies where ethnic, regional, and sectarian issues influence political behavior.³

The different visions of the future Afghan state mean irreconcilable communal hostility. Islamist thought, compared to the traditional outlook, is revolutionary in calling for a unified notion of state and society. Unlike the *ulema* (religious scholars) trained in the atmosphere of the *madrasah* (a traditional Islamic school), Islamists are the product of secular educational institutions, and have addressed economic, social, and religious issues in political terms.

The Islamists in Afghanistan and elsewhere have preferred to speak of Islam as an ideology, and first and foremost as a political system. For them, Islam is a *deen* (code of life) that not only governs social relations but is also the legitimate guide for state policy on modern issues of planning, economic development, and maintaining a just order. Traditionalists contend that the religious views of the Islamists are not compatible with the faith of the masses. They argue that the Afghan people have strictly followed the Islam of the mystics, whose roots run deep in the society.

The mujahideen are made up of both traditionalists and Islamists, but they have split over political and doctrinal differences and formed separate groups. Mutual suspicion has grown rapidly as various groups have taken control of territories. The desire to emerge as dominant in the future politics of the country has prompted resistance commanders to outflank each other.

This points to another dimension of the conflict in the resistance. Party control over mujahideen commanders varies, but resistance leaders have in general acquired greater autonomy with the dwindling of foreign supplies. Once these supplies dry up the opposition parties based in Pakistan may lose one of their most important controls over the resistance. The most powerful commanders, such as Ahmad Shah Massoud, Ismael Khan, Jalaluddin Haqqani, and Abdul Haq, may refuse to let the political parties with which they have been loosely connected speak for them, and demand to be adequately represented in future political arrangements.

Efforts to build larger coalitions of political groups, such as the interim government cobbled together under Pakistani influence, have failed; there is more interest among the rival groups in carving out respective areas of control and denying access to others. Already centers of power based on ethnicity have emerged. The Hazarajat is exclusively controlled by ethnic Hazaras, who are Shiites. They have enjoyed the full backing of Iran and have developed direct links with it. In the northwest, commander Ismael Khan has taken effective control and has expanded

his administrative network. Massoud has consolidated his power in the northeast; after holding the region against repeated Soviet and government attacks, he does not want to concede anything to rivals in the resistance. He has established probably the best administrative and military network in the resistance-held areas. Together with Ismael Khan he has organized the Supervisory Council of the North, which coordinates among the commanders.

Massoud, an ethnic Tajik, symbolizes the political aspirations of other minorities that have traditionally resented Pashtun domination. How the Tajik, Uzbek, and Turkmen minorities in northern Afghanistan will respond to the independence of the former Soviet Union's Islamic republics across the border is a question that torments the Pashtun majority. The rise of ethnic nationalism in the former Soviet Union and elsewhere has undoubtedly strengthened similar feelings among the Afghan minorities. The Pashtun elite in the ruling party and in the opposition find it difficult to reconcile themselves to the assertion of identity and power by ethnic minorities. Unless all sides can agree on solutions such as autonomy or power-sharing, ethnic conflict in Afghanistan may not be averted.

If the various Afghan groups fail to rise to the occasion, the country might face a de facto division along ethnic, regional, and sectarian lines. Conflict among the opposition parties limits their political capacity to reunify the country or even to form a stable coalition. It also complicates the negotiating process for a political settlement. For example, radical Islamists like Hekmatyar and Abdul Rab Rasul Siaz decided to stay away from the November 1991 talks with the Soviet Union, which moderates in the resistance attended.

An overwhelming majority of the Afghan resistance groups now seem inclined to accept a negotiated settlement. The Islamist radicals, however, have kept their options open. They allege that they are being marginalized by the external powers, which according to their assessment are promoting politically ineffective groups for a future role in the country.

A POLITICAL SETTLEMENT?

A United Nations peace plan for Afghanistan that was spelled out by Secretary General Javier Pérez de Cuéllar in May 1991 was an important move toward a political settlement. Pérez de Cuéllar developed the plan after long consultations with all parties in the Afghan conflict, including the superpowers and the neighboring countries. The peace plan set out the following principles:

- Preserve the sovereignty, territorial integrity, political independence, and Islamic character of a nonaligned Afghanistan.
- Recognize the right of the Afghan people to determine their own future free from outside intervention.

³See Shah M. Tarzi, "Politics of the Afghan Resistance Movement: Cleavages, Disunity, and Fragmentation," *Asian Survey*, vol. 31, no. 6 (June 1991).

- Develop credible and impartial transitional political arrangements, put together through intra-Afghan dialogue, that would lead to a broad-based government and the end of hostilities.
- Halt all arms supplies to the government and the resistance.
- Reconstruct the country and rehabilitate Afghan refugees.

The mujahideen, after their usual skepticism and even an offhand rejection by some hard-liners, seem to have recognized the value of the peace plan, which contains much of what the resistance parties have been insisting on. Obviously the plan does not call for the establishment of an "Islamic government" in Kabul, or ask outright that the Kabul regime give up its power, but the plan's language, if read carefully, and the political process it puts into motion may make it possible for the mujahideen to achieve their goal of removing the regime.

Two of the resistance's legitimate concerns need to be addressed in the negotiating process. First, opposition groups have all declared that Najibullah must step down before an intra-Afghan dialogue can be initiated. Would the president voluntarily relinquish his position in the face of an intolerant opposition, in a country where avenging wrongs is one of the highest personal commitments a person can make? Najibullah's professed willingness to negotiate directly with the mujahideen and to share power with them has not won over his opposition and is not likely to in the future. The long-running conflict between Watan and the resistance has left hardly any group in Afghanistan unaffected and has reinforced both sides' negative views of each other.

The second issue is the formation of an interim government while preparations are made for elections. Who would head such a government and which parties and leaders would take part in it are questions that have yet to be negotiated. While the regime in Kabul insists that it play an integral role in the proposed interim arrangements and remain preeminent, the resistance continues to reject the idea of sharing power with it.

Several alternatives have been widely discussed. One is to allow the regime to remain, but with only nominal authority. Internal security, control over the defense forces, and civil administration would be transferred to the interim government. Moderates from the ruling party and the opposition would form such a government. The underlying assumption of this plan is that separating out the extremists from both Watan and the hard-line opposition would promote pragmatic leaders for Afghanistan. This proposal might gather some support among the mujahideen.

The best hope for a pragmatic leadership is that existing alliances in the government, the resistance, and the

opposition parties based in Iran and Pakistan will sooner or later break up. In fact, this has already started happening among the opposition parties. The pattern of future alliances or coalitions would thus be less ideologically oriented. Ethnic, regional, sectarian, and personal issues would perhaps be more instrumental in the formation of new groups than the now-common cries for *jihad* (holy war).

In recent years Zahir Shah, the former Afghan monarch, has offered to take an interim role. In a May 1990 speech prepared for the Afghan people, he argued that the Kabul regime lacks political legitimacy and remains handicapped by its oppressive, Communist past, while those involved in the holy war have not endeared themselves to the masses either. Zahir Shah has neither put forward a claim to his lost crown nor asked to return to Afghanistan as an absolute ruler; his plea is for a restoration of peace and normal life.

But the former king's ability to become a third force is limited by his long absence from the Afghan political scene and his lack of participation in the resistance's struggle. Neither the more militant factions of the Afghan resistance, which still hold him responsible for allowing the country to grow closer to the Soviet Union, nor the ruling party in Kabul would accept him in a position of authority. Nevertheless, some moderate Afghan factions, Pashtun tribal chiefs, and scattered members of his old oligarchy would rally behind him. Refugee groups in Pakistan have demonstrated in his support, and a large crowd took to the streets in Kabul on November 14, 1991, demanding his return. Liberal intellectuals seem prepared to back the king in a transitional role.

Many of Zahir Shah's supporters contend that a representative *jirga* (assembly) could be convened under the auspices of the UN, which would provide the legitimacy the deposed monarch would need to have in a transitional administration and arrange for elections. This proposal should receive greater attention with the implementation of a peace accord in Cambodia under which the exiled Prince Norodom Sihanouk was selected to head a coalition of resistance groups and the government. Success in conducting elections and transferring power in Cambodia could establish a precedent for the resolution of similar conflicts.

The war in Afghanistan will not end until a political settlement acceptable to at least the majority of the Afghan factions is reached and some widely representative transitional arrangements are put in place. Without these, the political and military stalemate in Afghanistan is bound to lead to more violence. Who is hurt more by the prevailing chaos and confusion and which side shows greater signs of war-weariness are irrelevant questions. The Afghan people and society have been hurt beyond imagination by the years of fighting. A formal peace would at least start the healing process. ■

"The future of Sri Lanka depends on the ability of the government and the Liberation Tigers [of Tamil Eelam] to end the slaughter of the country's citizens through reconciliation and compromise. Thus far, they have been dismal failures."

A War without Winners in Sri Lanka

BY ROBERT C. OBERST

Ranasinghe Premadasa's election in 1988 as president of Sri Lanka fanned hopes that a new leader would be able to resolve the country's two civil wars.* J. R. Jayawardene, the preceding president and leader of the United National party (UNP), had been unable to end the conflicts and so had lost popular support. Premadasa displayed a different style of leadership, but three years into his term Sri Lanka had been plunged into the worst violence it had ever known. The war against the Tamils has transformed the island: high levels of killing, previously unknown there, have now become acceptable.

Although the Premadasa government suppressed the Maoist Janatha Vimukthi Peramuna (JVP) insurrection in the southern part of the country, it has been unable to halt the guerrilla war for an independent Tamil nation in the north and east. The fighting has prevented Sri Lanka from focusing on economic development; much of the national budget has been used to maintain a military machine for use against the Tamil guerrillas. For the first time the conflict has begun to endanger the unity of Sri Lanka.

DEFEATING THE JVP

In late 1989 the government ended the JVP insurrection among Sinhalese youths in the south, central, and western parts of the country. The daily bloodbath occasioned by the revolt was reduced to sporadic JVP attacks and bank robberies. But in suppressing the rebellion the government resorted to policies that would lead to

higher levels of violence in the Tamil conflict. Frustrated by the failure of constitutional methods, security forces resorted to extralegal actions, including at least condoning the use of death squads, torture, and terror against JVP sympathizers.

These were a response to a JVP campaign of terror and intimidation carried out in late 1987 after Jayawardene had invited Indian peacekeeping forces in July to oversee a cease-fire in the Northern and Eastern provinces. The JVP killed thousands of government supporters in September of that year. The reign of terror ended two months later with the arrest of Rohana Wijeweera, the JVP's founder and leader. Wijeweera was killed soon afterward, but not before giving security forces vital information about the JVP politburo and district leaders. The circumstances surrounding his demise and that of his second-in-command, Upatissa Gamanayake, generated questions about the official accounts of their deaths. According to the government, Wijeweera agreed to cooperate and was shot by his own men for his treachery. Both bodies were cremated almost immediately, before anyone could determine whether Wijeweera and Gamanayake had been tortured or executed by government forces.

Within a month, all JVP politburo members and most JVP district leaders had been captured or killed. But new leaders emerged, and the JVP began to reorganize its underground network of operatives. Once again the group resorted to raising funds through bank robberies, as it had done before 1987. However, it had lost thousands of supporters and fighters, and was unable to threaten the government the way it had between 1987 and 1989.

The government countered the JVP with its own reign of terror. Beginning in the Southern province—the heart of the JVP insurrection—in 1988, death squads believed to be made up of off-duty police and army personnel (a detail vigorously denied by the government) and assisted by some supporters of the UNP removed young people from their homes at night; the next day the bodies of some of these youths would be discovered,

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*Editor's note: Although the government changed the spelling of the country's name from Sri Lanka to Shri Lanka in November 1991, this article uses the former version, which remains the convention in Western publications.

burned or mutilated. Many of those kidnapped were never found. Death squads began operating in Anuradhapura district in North Central province and later in Kurunegala and Kandy districts in the Northwest and Central provinces. By July 1989 death squad killings had reached several hundred a week. In the Central province, whole villages were slaughtered, as happened near Kundasale in September 1989.

The violence terrorized villagers by targeting the innocent neighbors and friends of suspected JVP supporters. The untraceable death squads were free to torture and execute their victims. The campaign effectively eliminated the threat posed to the government by the JVP. The army and police were proud of their success in defeating the organization, and would, after June 1990, utilize methods they had learned in their war with the JVP against the government's other main opponent, the Liberation Tigers of Tamil Eelam (LTTE).

THE WAR FOR TAMIL EELAM

While the JVP insurrection was unfolding in the south, the Tamil conflict continued in the Northern and Eastern provinces. The Sri Lankan Tamils, who comprise about 12.6 percent of the population, had for many years been dissatisfied with the Sri Lankan government, which is dominated by the majority Sinhalese ethnic group.¹ Discontent erupted into open conflict in 1983 as groups of Tamil guerrillas battled government military forces. In July 1987 Indian troops arrived in the north and east to police a cease-fire that quickly broke down. Fighting between the LTTE and Indian troops continued until the Premadasa government ordered the Indians to leave the island by the end of July 1989, the second anniversary of their arrival. At first the Indians refused to leave, arguing that they would need several months to dismantle their installations and safely pull out. After several months of negotiation, the Indian and Sri Lankan governments agreed to a phased withdrawal. The last troops left on March 24, 1990.

Before departing, the Indians tried to arrange for the protection of Tamils who had supported them during their occupation of the two provinces. The Indo-Sri Lanka Accords of 1987, which arranged for the arrival of Indian peacekeeping forces, had called for all Tamil guerrilla groups to turn their weapons over to the Indian

troops and to stop advocating Tamil independence. Most groups surrendered their weapons and were legalized by the Sri Lankan government. Several of these, including the Eelam People's Revolutionary Liberation Front (EPRLF), the Tamil Eelam Liberation Organization (TELO), and the People's Liberation Organization of Thamileelam (PLOT), all of which had large followings, participated in the provincial council elections of 1988 and the parliamentary elections of 1989.** However, the largest Tamil guerrilla group, the LTTE, refused to surrender its weapons.

The various Tamil armies had frequently fought each other in years past, and the LTTE had killed several of the other groups' leaders. The Indian forces feared that the Liberation Tigers would slaughter supporters of the other Tamil groups if they were left unarmed. So the Indians trained and rearmed their allies. The combined Northern and Eastern provincial government, controlled by the EPRLF, had already created a paramilitary civilian force that it called the Civilian Volunteer Force. This force was enlarged and trained by the Indians; the Sri Lankan government dubbed it the Tamil National Army (TNA).

As the Indians began their phased withdrawal from the Eastern province district of Ampara in October 1989, fighting broke out between the LTTE and the TNA, increasing in intensity as the Indians withdrew from other areas. Meanwhile, the Sri Lankan government had begun negotiations with the Liberation Tigers. Both sides announced that they agreed on the general issues related to a resolution of the conflict but needed to work out the details. The government clearly sided with the Tigers against other Tamil groups. It provided them with logistical support and weapons, and government forces remained in their barracks as LTTE forces killed hundreds of TNA fighters and supporters of the EPRLF and other parties.

After the last Indian forces left the country, the members of the Northern and Eastern provincial government fled to India. With the support of the Sri Lankan government and no armed Tamil opposition, the LTTE took control of most of the combined province, killing many supporters of the EPRLF, TELO, PLOT, and other groups. In April and May 1990, for the first time in seven years, civilian life returned to normal in the north and east as the Liberation Tigers and the government continued to negotiate. But the LTTE continued to kill its enemies in the areas it controlled, and to fortify its positions in the northern Jaffna peninsula.

In June tension between police and the Liberation Tigers erupted in the Eastern province. Previously, LTTE members had "arrested" police on various occasions and held them for several hours before releasing them. On June 13 the organization raided most of the police stations in the Tamil and Muslim areas of Batticaloa and Ampara districts in the Eastern province, killing and kidnapping hundreds of police officers. Kidnapped Sin-

**Although most Tamil rebel groups have called an independent Tamil nation Tamil Eelam, PLOT has used the term Thamileelam for it.

¹The Sri Lankan Tamils speak Tamil, a Dravidian tongue, and most are Hindus. The Sinhalese, who make up about 74 percent of the population, speak an Indo-Aryan language, Sinhala, and are for the most part Buddhists; their language and culture are confined almost entirely to Sri Lanka, and thus they feel a strong need to protect them. The third ethnic group, Tamil-speaking Muslims, make up 7.1 percent of the population.

halese police were murdered, while most abducted Tamil and Muslim officers were later released. The Tamil war had restarted. The Sri Lankan press referred to it as Tamil War II.

TAMIL WAR II

The Sri Lankan military seized this opportunity to prove that its successful war against the JVP had not been a fluke; the defeat of the LTTE army, Sri Lankan commanders felt, would establish the prowess of the security forces. Sinhalese, who felt betrayed by the Liberation Tigers, responded with a wave of patriotism. In late June tens of thousands of Sinhalese youths came to Colombo to join the war against the LTTE. Many of them stood in line for days waiting to enlist in the army. Military leaders predicted a quick campaign to recapture areas that had fallen to the Liberation Tigers.

The new war differed from the conflict between the government and the LTTE before the Indian peacekeeping force had arrived. The Liberation Tigers of Tamil Eelam was no longer an unorganized army of youths. It had matured into a sophisticated and efficient guerrilla army, and had established a political organization as well as a military machine. Unfortunately for the LTTE, the Sri Lankan military had also matured. It was much more disciplined than it had been before 1987 and, like its opponent, it now had access to modern weaponry. Extensive use of helicopter gunships and airplanes after June 1990 became an important part of the government's military strategy.

Both sides had also become more ruthless. The LTTE had always been willing to attack and kill Sinhalese civilians. It now turned on Muslim civilians as well. The Sri Lankan air force began bombing raids against the Liberation Tigers, which resulted in higher civilian casualties, since targeting was inaccurate and purely civilian sites were often hit. Death squads terrorized LTTE sympathizers and Tamil civilians.

The government, which had compiled a poor human rights record in dealing with Tamil civilians before 1987, became extremely sensitive to foreign criticism. To prevent negative publicity in the West, it seriously limited media coverage of the conflict, among other measures.

After the fall of the Eastern province police stations in June, the government quickly recaptured the cities taken by the Liberation Tigers in Batticaloa and Ampara districts. The eastern countryside, however, was not so easily controlled; government troops now faced a bush war against an army that had been living in the jungles there for more than seven years.

²Colonization in Tamil areas has been an important source of tension between the government and Tamils. The percentage of Tamils in the population of some districts has declined from a majority to a plurality. A new census in the process of being conducted is expected to show a plurality of Sinhalese citizens in Trincomalee; some districts, such as Vavuniya and Mullaitivu, will have large Sinhalese populations.

Death squads appeared in the subdued areas of the Eastern province. Young Tamils were rounded up by security forces and paraded before masked men who would identify alleged LTTE supporters. Many of the arrested Tamils were never seen again by their relatives, even after being officially released. In addition, government-armed and-trained Muslim home guards raided Tamil villages and killed hundreds of Tamil civilians after attacks on Muslims by the Liberation Tigers. Little or no government action was taken against the home guards involved.

The Northern province posed even more serious problems for government forces. During the lull in the fighting in April and May 1990, the government did not try to reestablish police stations in the Jaffna peninsula, the heartland of the Sri Lankan Tamils, but instead allowed the LTTE to carry out police functions. At the start of the second Tamil war the government was limited to control of a few army outposts in the Jaffna peninsula and several cities south of the peninsula.

The Northern province became the center of the government war effort. In September the government abandoned one of its few outposts in the north, the Jaffna fort, after a three-month siege. In the fall of 1990, government forces captured the islands east of the Jaffna peninsula, thus gaining a beachhead from which to launch an attempt to capture the rest of the peninsula. However, they were unable to significantly extend their control of the peninsula beyond this point and the area around the Palaly airfield and the naval port of Kankasanturai that had been subdued.

In July 1991 the largest battle of the war began at the besieged army camp at Elephant Pass, at the entrance to the Jaffna peninsula. On July 14, 8,000 government troops made an amphibious landing about five miles from the camp, and for three weeks they battled toward the camp, finally reaching it on August 3. As many as 2,000 LTTE fighters may have been killed in this government victory, but the battle highlighted the government's inability to defeat the guerrillas easily in hand-to-hand combat. And even after the siege was broken, government forces failed to expand their control much beyond the perimeters of the base.

The major battles, the death squads, and the increased bombings and attacks on civilians are all part of a war that has grown much more violent since June 1990. Before 1987 the conflict was small-scale, and caused relatively few casualties. After Indian troops arrived in 1987 the mortality level increased. And after the war between the Liberation Tigers and the government resumed in June 1990, the death toll rose to levels that made the Sri Lankan conflict among the most violent worldwide in the last 20 years.

The increased violence has been largely visited on the Tamil population. However, LTTE guerrillas increased their attacks on civilian colonization villages in the border areas surrounding the largely Tamil northeast, most of them in the Sinhalese districts of Anuradhapura and Polonnaruwa.² The attacks were extremely brutal: the villagers were not

only killed but mutilated as well. The Liberation Tigers have also begun to attack Muslim civilians in the Northern and Eastern provinces. In the northeastern city of Mannar, which had been about half Muslim before the war started, Muslims were ordered to leave or be killed. In the Eastern province village of Kattankudi, Liberation Tiger guerrillas attacked a mosque on August 3, 1990, killing nearly 140 Muslims during Friday prayers.

The people of Sri Lanka have been increasingly numbed by the carnage. In 1983 thousands of Sinhalese went on a bloody rampage against Tamil civilians in Sinhalese areas after 14 soldiers were ambushed and killed by Tamil guerrillas. Today the killing of 14 soldiers is merely part of the daily routine. Even the reports of atrocities against Sinhalese civilians do not create the same outrage they would have a decade ago.

In Tamil areas, life has been brutalized. If government soldiers do not kill Tamil civilians, LTTE tax collectors and "police" may. The Liberation Tigers have taxed Tamil civilians heavily, and have carried out their own kind of justice against those who do not support the movement. Fourteen EPRLF leaders, including a member of the Sri Lankan Parliament, were assassinated on June 19, 1990, in the southern Indian city of Madras shortly after the beginning of the second war.

Thousands of Tamil civilians have fled to Sinhalese areas of Sri Lanka, where they face an unsympathetic population. Others have fled across the Palk Strait to India to seek refuge in camps set up by the Indian government. However, since the assassination of former Prime Minister Rajiv Gandhi on May 21, 1991, which Indian authorities suspect was the work of Tamil militants, Tamils have been persecuted in the Indian state of Tamil Nadu. This has stopped many who would previously have fled to India. Those Tamils rich enough to escape to Europe or North America have found the doors closed to refugees: European countries and the United States increasingly argue that these refugees are

economic migrants who do not qualify for political asylum. Only Canada remains a safe haven for Tamils.³

AN END TO THE FIGHTING?

The two parties to the conflict have been unwilling to compromise to settle the war. The LTTE refuses to join in peace talks, saying that it will negotiate only if the government offers a proposal. It has claimed that during talks held between July 1989 and June 1990 the government failed to come up with any. The government says it will not propose anything until the LTTE indicates what it wants.

The Sri Lankan political system does not have extensive safeguards for the protection of minorities. Because they comprise a majority of the population, Sinhalese Buddhists can get what they want from the government with little concern about the needs of minorities such as the Tamils, who make up more than 18 percent of the population. The government has tried several correctives, including the creation of district development councils in the early 1980s and of provincial councils in 1988.⁴ Both failed to solve the problem since the central government, controlled by the majority ethnic group, retained broad powers. Unfortunately, the Sinhalese have responded negatively to the idea of federalism; Sinhalese politicians have refused even to consider it. However, after the battle for Elephant Pass last July, growing numbers of government members have suggested that a federal solution is necessary.

Both sides seem to want to end the bloodshed, but they cannot find the proper approach. The search for peace has not been helped by the political crisis that engulfed the Premadasa government last August, when a group of rebels in Premadasa's own party attempted to initiate impeachment proceedings in Parliament. The petition they presented to the speaker of Parliament accused the president of various offenses, including abuse of power in allowing death squads to kill thousands of young people and in supplying arms to the LTTE during the peace negotiations.⁵ The impeachment effort ended after a majority of the signatories claimed that they had had no intention of supporting a petition to impeach the president. In the end, eight members of the government supported the petition, including Gamini Dissanayake and Lalith Athulathmudali, who had been considered future UNP presidential candidates. Ultimately the speaker of Parliament disallowed the petition.

Premadasa survived the revolt in his party but was weakened politically. For months, he devoted most of his attention to ending the revolt and to defending himself against personal attacks rather than searching for a resolution to the conflict in his country. The future of Sri Lanka depends on the ability of the government and the Liberation Tigers to end the slaughter of the country's citizens through compromise and reconciliation. Thus far they have been dismal failures. ■

³A recent report by the United States Committee for Refugees estimated that 210,000 Tamils are in refugee camps in India and another 700,000 have been displaced in Sri Lanka. Court Robinson, *Issue Paper, Sri Lanka: Island of Refugees* (Washington, D.C.: U.S. Committee for Refugees, 1991), p. 2. On January 6, the Indian and Sri Lankan foreign ministers agreed in talks in New Delhi to begin the voluntary repatriation of Tamil refugees; most of those who choose to return home will probably be sent to refugee camps in Sri Lanka.

⁴The District Development Councils were created to provide local input on development projects. However, the councils were underfunded and fell into disuse.

⁵The resolution to the speaker listed 43 allegations of violations of 15 articles of the constitution and 24 reasons why the president could not discharge the functions of his office, ranging from mental infirmity to wasting others' time.

Bangladesh's military government is gone, and the country has reengaged itself in the democratic process, however tentatively. Economic progress has been less positive, and future gains will require substantial and concerted foreign aid and investment.

Bangladesh: A Parliamentary Democracy, if They Can Keep It

BY CRAIG BAXTER

Bangladesh has put an end to its authoritarian, presidential form of government and, perhaps even surprising itself, has reverted to the parliamentary system originally chosen when the country became independent in 1971. After legislation passed by parliament and approved by referendum last year, the prime minister is once again head of government and the president a ceremonial head of state.

UNFREE AND UNFAIR ELECTIONS

In March 1982, Lieutenant General Hussain Muhammad Ershad staged a coup that removed the elected regime of President Abdus Sattar. Martial law was declared and many provisions of the 1972 constitution were suspended, especially those relating to human rights. Political parties—including the Awami League and the Bangladesh Nationalist party (BNP), which were to be key in Ershad's eventual overthrow—were banned. The press was restricted, and arrests of dissidents were common. Trials were held in military courts, if they took place at all.

Ershad faced considerable pressure from both inside and outside the country to hold elections and to "democratize." Much of the external pressure came from international donors critical to Bangladesh's economic survival—to say nothing of their importance if there was to be significant development in the country. United States pressure came not only from the administration of President Ronald Reagan but also from Congress. The House of Representatives approved an amendment proposed by Stephen Solarz (D-N.Y.) to economic aid legislation for Bangladesh that threatened a cutoff if the

country did not satisfy five requirements: develop a credible electoral process reflecting the people's will; build an effective parliament within which both the government and the opposition could work; allow a free press; provide representative local government; and respect an independent judiciary. The amendment was eventually jettisoned in a House-Senate conference, but it was a signal to Ershad that Congress had taken an interest in democracy in Bangladesh.

The amendment was proposed after Ershad's first attempt at elections, in May 1986. Ershad had authorized a resumption of political activity in January 1986. In negotiations with opposition leaders on holding elections, he had agreed to a demand that a direct presidential election follow a vote for members of parliament. The Awami League agreed to participate but the BNP refused to do so, maintaining that "free and fair" polling was not possible under the Ershad government.

Amid widespread charges of vote-rigging, Ershad's Jatiya party won a slim majority in the unicameral parliament, which was in fact an almost powerless body under the prevailing presidential system. The Awami League boycotted sessions of parliament for a time while the members who attended passed an act that legalized the steps taken during martial law. The League also boycotted the presidential election in October 1986, which Ershad won easily. Martial law was lifted in November, and Ershad became president under the constitution as it then stood.

The leader of the parliamentary opposition, Sheikh Husina Wajid (the daughter of Bangladesh's founder, Sheikh Mujibur Rahman), soon found that her role was severely proscribed by the presidential system and the strength of the Jatiya party. Also, she and Begum Khalida Zia (President Ziaur Rahman's widow), the leader of the BNP, found common ground only when discussing Ershad's departure. One major difference between the parties was that the Awami League called for the reintroduction of the parliamentary system while

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the BNP favored a strong presidency (sometimes known as “Ershad’s system without Ershad”).

The two parties, however, were able to come together in November 1987 to launch a mass movement against Ershad, which did not succeed in dislodging him but instead resulted in the parliament’s dismissal. In March 1988 a new election was held, which both the Awami League and the BNP boycotted. The result was an almost complete parliamentary victory for the Jatiya party.

THE OVERTHROW OF ERSHAD

For almost three years it appeared that the Ershad regime was safe, despite vocal opposition within the country and continued criticism from without. But in October 1990, Sheik Husina and Begum Zia were once again able to mobilize protesters, and anti-government demonstrations swelled during the following month. The major student parties (most of them affiliated with political parties) agreed to submerge their individual ambitions and form the All Parties Student Unity in a joint effort to oust Ershad. The students “shamed the parties into cooperating,” as *The Economist* put it in its December 8 issue, on a “one-point” program of replacing Ershad with a neutral president who would hold the free and fair elections demanded by all opposition groups.

The opposition called for a *hartal* (general strike) on November 20, to continue until Ershad resigned, parliament was dismissed, and a neutral president was appointed to oversee the election of a new parliament. The press, many members of it already deserting Ershad, reported that the *hartal* was “complete” and had spread to cities other than Dacca. The anti-Ershad demonstrations turned violent in response to police attempts to disperse them, and grew increasingly more so.

Ershad declared a state of emergency on November 27, but this was ineffectual in calming the violence. On December 4, 1990, the president announced his resignation, effective December 8. Interestingly, in a situation of near chaos, constitutional niceties were observed. The vice president, Moudud Ahmed, resigned. Ershad then appointed a new vice president, Chief Justice Shahabuddin Ahmed, the choice of the opposition. When Ershad’s resignation took effect, Shahabuddin replaced him as “acting president.” The Ershad era was over after more than eight and a half years.¹

Shahabuddin’s first charge was to keep the country functioning by noncontroversial means. New ideas were to come from the new parliament. But under the still prevailing presidential system, Shahabuddin was both head of government and head of state. The Awami League remained pledged to changing Bangladesh’s political system to a parliamentary one; the BNP was

equally firm on keeping the current form. In the interim Shahabuddin appointed advisers—not ministers—to assist him, and to some observers it seemed that this advisory group was tilted toward the Awami League. In the meantime Ershad was charged with embezzlement and other crimes and jailed, as were many of his associates.

The acting president’s other main task was to organize elections. The initial step toward this was permitting political parties to operate freely. Four of these parties were significant, although there were many others besides.

The Awami League’s desire for a return to parliamentary democracy generally ignored the fact that Mujibur Rahman was the person responsible in 1975 for perverting the country’s parliamentary system and turning Bangladesh into an authoritarian, one-party state. While emphasizing her father’s role as *Bangabandhu* (father of Bengal) and architect of the constitution, Sheik Husina tried to avoid the excesses of Mujib’s later career—a task not unlike the one that faced Benazir Bhutto in her successful campaign for president of Pakistan in 1988; like Bhutto, Sheik Husina could also point to her father’s murder for political reasons and demand punishment for his killers. (BNP leader Begum Zia’s husband had also been assassinated, but no emphasis was placed on that in the parliamentary campaign.)

The Awami League continued to subscribe to the four “pillars” of Mujibism: nationalism, democracy, socialism, and secularism. On the first tenet, the Awami League spoke of “Bengali nationalism,” which seemed to many to have a transnational ring, while the rival BNP spoke more specifically of “Bangladeshi nationalism.” The Awami League’s socialism placed it in opposition to the Ershad government’s private-investment and privatization programs and movement toward a market economy, which the BNP supported. Finally, the Awami League opposed steps taken by the earlier BNP government of Ziaur Rahman and by Ershad to associate the state more closely with Islam. Thus in many ways the Awami League appeared to be a party that set itself against things but did not project a vision for the future; the BNP, in contrast, seemed to offer positive programs for change.

The country’s third major political party, Jamaat-i-Islam, wanted Bangladesh to become an Islamic state. The party’s economic policies differed little from those of the BNP, but its Islamic stance went far beyond the recognition of Islam as the state religion that had taken place under Ershad and was supported by the BNP.

The fourth important political party was Ershad’s Jatiya party. Many who had participated in its overthrow in 1990 wished to see the party banned from the upcoming election. But could an election be free and fair if a segment of opinion was barred? The Shahabuddin government decided to allow the Jatiya party to participate, even though many of its candidates were in jail or in hiding.

¹See also Craig Baxter, “Bangladesh in 1990: Another New Beginning?” *Asian Survey*, vol. 31, no. 2 (February 1991).

The results of the parliamentary elections held on February 28, 1991, were mildly surprising. Many observers had thought that the Awami League would receive a majority in the new parliament, based on its reputation for superior organization. The more positive program of the BNP, however, won it 140 of the 300 seats. The Awami League and its allies won 99; the Jatiya party 35; the Jamaat 18; and the remaining seats were scattered among smaller parties and independents. Sheikh Husina won only one of the three seats for which she ran, but Begum Zia and Ershad each won all five seats for which they campaigned (although the law required them to resign from all but one seat). The BNP was short of a majority, but the Jamaat party agreed to work with it in subsequent indirect elections for 30 women's seats. These yielded 28 additional seats for the BNP, which gave the party a clear majority in parliament, while the Jamaat took the other two women's seats.²

MOVING TO A PARLIAMENTARY SYSTEM

Acting President Shahabuddin Ahmed appointed BNP leader Begum Zia prime minister, a rather powerless position under the then-current system. An election for president would be the next item on the political agenda. For several reasons, the BNP now abandoned its support for the presidential system and began favoring a parliamentary system. One of the motivating factors was that, without a change in the system, the president would be elected by popular vote. And although the BNP had won many more seats in parliament than the Awami League, the difference in the popular vote had been much smaller: 31 percent for the BNP and 28 percent for the League.

A BNP victory in a direct presidential election was thus far from sure, especially if the opposition or a major part of it agreed on a single candidate. In addition—and probably more important—many in the BNP welcomed the opportunity to serve in parliament or in the Cabinet and did not want to sacrifice the status they had achieved and the power that they would obtain under a parliamentary system. Begum Zia apparently was among the last converts, but eventually she agreed to the change.

Two bills to effect the move to a parliamentary form of government were introduced in the legislature, one by the BNP and the other by the Awami League. In an effort to encourage parliamentary unity, the government appointed a select committee, drawn from both parties and including other figures, to reconcile the bills. The committee's constitution-amending legislation was passed by parliament in August 1991 and approved in a referendum the following month.

Begum Zia was sworn in as prime minister. Members of parliament elected their speaker, Abdur Rahman Biswas, the new president of Bangladesh. Begum Zia was now head of government, and Biswas ceremonial head of state.

CAN IT BE MAINTAINED?

It takes more than a constitutional revision to create a democracy, whether parliamentary or presidential in form. Bangladesh, like many other emerging democracies, has been slow to develop democratic structures. Perhaps the most obvious weakness is the political parties. As evidenced by the results of last year's parliamentary elections, the organizational structure of the Awami League was highly overrated; with the exception of the Jamaat, the other parties are also structurally weak. It is not only that factionalism seems inherent in Bangladesh but that within each party the levels below the very top have little or no voice.

None of the parties has held internal elections in many years, if indeed such elections ever took place. Elections would no doubt confirm the present leadership in office, but they would also give party members a sense of participation and belonging. Active organizations at lower levels—the constituency, the union council—would also provide a cadre of workers for campaigns. Certainly in India the lack of party elections since 1972 has contributed to the long-term decline of the Congress (I) party, as leadership elections and a committed cadre contribute to the success of the Bharatiya Janata party there. The political parties in Bangladesh need to draw lessons from the experiences of their neighbor.

There are groups in Bangladesh that are integral parts of political parties, but these are more often than not ready to use violence. The most important—and destructive—of these are the student groups associated with the BNP and the Awami League. The unity the students achieved during the movement against Ershad quickly fell apart. There has been almost constant violence between student groups on the campus of Dacca University since the 1990 elections, resulting in fatalities and the closing of the university. Students who wish to carry on with their work are blocked from doing so by what can be best described as hooligans who have no interest in study. The effects of this delay in the completion of training will become more evident as time goes on. In the meantime neither party seems willing or able to control its student activists.

Parliamentary systems work best when the government respects the opposition, and vice versa, both inside and outside parliament. Such respect has rarely been evident since the seating of the new parliament in Bangladesh. The government has used the device of the select committee, as in the constitutional amendment bill, to work out differences between itself and the opposition, which is a good sign, but debates on the floor

²See also Craig Baxter and Syedur Rahman, "Bangladesh Votes—1991: Building Democratic Institutions," *Asian Survey*, vol. 31, no. 8 (August 1991).

indicate that compromise and cooperation may be the exception rather than the rule.

In November 1991 two events occurred that do not portend a secure future for democracy. Sheik Husina distributed a letter highly critical of the BNP government to foreign ambassadors in Dacca. This was interpreted as an appeal to the diplomats to use their "influence" with Begum Zia to accomplish the program of the Awami League. The press noted that foreign involvement in the affairs of Bangladesh is not unknown—at the country's birth India intervened on behalf of the freedom fighters, and several foreign ambassadors were involved in Ershad's departure from office. But an appeal from the leader of the opposition was viewed by some as crossing "a line between foreign involvement and a request for foreign intervention."

On November 23, the BNP government issued an ordinance (permissible when parliament is not in session, although parliamentary approval is required when that body reconvenes) that abolished the *upazilla* (sub-district) system established under Ershad, which had been intended to devolve to local units considerable decision-making authority, especially in matters concerning small-scale development. In local government elections held in early 1990, the Jatiya party, then in office in Dacca, had finished first, with the Awami League second and the BNP trailing in control of *upazilla parishads* (sub-district councils). A mark of the maturity of a democratic system is the ability of a central government led by one political party to work with lower-tier governments controlled by other parties. Although the abolition of the *upazilla parishads* is being challenged in the courts, it appears that differing political ideas at different levels of government may not be acceptable to the ruling party.

CYCLONES AND FLOODS

The new government had barely settled into office when, on April 30, Bangladesh's southern coast was struck by a major cyclone and flooding. Advance warnings were issued, and many people took refuge in shelters built since the cyclone of 1970. Others, preferring to remain with their property, did not, and at least 50,000 were killed. Damage to the country's only large seaport, Chittagong, was extensive. The ability of the Bangladeshi government to carry out rescue and relief operations was hampered by shortages of equipment and money, but within these limitations the government performed well.

Neighboring India and Pakistan lent assistance, as did many countries from among the industrial nations and in the Middle East. Perhaps most dramatic was the diversion of American ships and marines from their journeys home following the end of the Persian Gulf war. The equipment and managerial skills the Americans brought proved highly effective in coastal areas, where helicopters and specially constructed vessels were

needed. The government and most Bangladeshis praised the American effort. Unsurprisingly, there were a few on the left, including some from the Awami League, who saw the arrival of American uniformed personnel as part of an imperialist plot. But the quiet efficiency of the rescue operations and the withdrawal of the troops immediately after their task was completed silenced all but the hard core.

During the 1991 monsoon season there was extensive flooding in northern Bangladesh, which placed additional stress on the government's resources. These floods were not nearly as severe, however, as those of 1988 and 1989, which were followed by a flurry of international activity directed toward alleviating the chronic problem over the short and the longer term. It seems that the absence for two years of flooding on that scale has allowed the sense of urgency in the international community to wane, to the detriment of flood control programs for the entire Ganges and Brahmaputra river systems.

FOREIGN RELATIONS

A solution to the flood problem requires, at a minimum, discussions and close cooperation with India. Bangladesh has proposed trilateral talks including Nepal, but India prefers to deal one-on-one. A related issue is the division of the waters of the Ganges during the low-water season in April and May. India operates a barrage (dam) at Farakka just upstream from the border to divert water through a canal and two rivers to Calcutta and beyond. India maintains that a steady flow is needed to flush out the Hooghly River and to supply fresh water to the Calcutta metropolitan area. Bangladesh, however, says that after India takes what it claims as its full withdrawal rights during the low-water season there is insufficient water remaining for Bangladesh's Khulna division in the southwest. During the rest of the year there is more than enough water to meet the needs of both countries—indeed, Ganges water coupled with heavy flows from the Brahmaputra and other rivers often results in heavy floods like those that Bangladesh has experienced during two of the last four years.

If a solution is to be found, an outside party acceptable to all sides—the World Bank, for instance—must work with India, Bangladesh, Nepal, and possibly China to devise a plan to harness the waters of the eastern subcontinent so that all countries involved will receive the maximum benefit possible. In the 1960s the World Bank managed to overcome the political obstacles and assemble the necessary engineering talent and financing for the development of the Indus River waters.

The 1990–1991 crisis in the Persian Gulf affected Bangladesh considerably. Many Bangladeshi workers had to leave Kuwait and Iraq, causing hardship to them and significantly reducing remittances home. There has been a return to the Gulf region since the war ended, but uncertainty remains as to whether former high levels of

remittances (\$771 million in 1989) can again be reached. Bangladesh dispatched troops to Saudi Arabia during the conflict, over the objections of the leftist parties, but they saw no combat action.

GOALS

Bangladesh remains one of the poorest countries in the world, mainly because economic growth fails to keep up with population increases. Bangladesh's 1989 per capita gross national product of \$180 ranked ahead of only four African countries, three of which are torn by civil war (Mozambique, Ethiopia, and Somalia; the other is Tanzania). Between 1965 and 1989 the average annual growth rate for per capita GNP in Bangladesh was only 0.4 percent. On the other hand, average annual growth in gross domestic product—total GDP, not per capita GDP—during the 1980s was 2.1 percent for agriculture, 5 percent for industry, and 4.9 percent for services.

Policies favoring privatization and offering more liberal terms for foreign investment were adopted by the Ershad administration and are expected to be continued by the BNP government. However, there is a shortage of domestic capital to purchase government-owned corporations intended for privatization, and in many cases those companies have long performed poorly. It would require major downsizing to improve efficiency and profitability, and such measures are strongly opposed by labor.

Foreign investment is inhibited by many factors. Bangladesh has few natural resources other than natural gas, and is chronically short of power. The transportation and communications infrastructures need improvement. Trained personnel are in short supply, and many of the most highly trained workers have gone to the Middle East. Political instability is of concern to potential investors, although there is hope that the present democratic system will prove durable.

Bangladesh has made significant advances in the garment industry, but must always be concerned about quotas in the United States and the European Commu-

nity. Traditional exports like jute and tea have been stagnant for years and are not likely to see much growth. Bangladesh might be able to increase exports of shellfish, but this commodity is also limited.

Bangladesh continues to be a major recipient of foreign economic assistance, much of it in grants; Japan is the largest donor, followed by the United States. The United States in 1991 forgave Bangladesh's government-to-government debt; other creditors have taken or seem ready to take similar steps. In 1989 Bangladesh's debt-service ratio was 19.9 percent of total exports of goods and services, but this should decline somewhat because of the debt forgiveness.

The Ershad and Zia governments have concentrated on programs for agriculture and industry, but also on key social programs including ones in education, health-care delivery, and population planning. The rate of population growth has declined, but was still 2.6 percent during the 1980s. It is expected to drop to 2.1 percent for the period from 1989 to the year 2000. Even so, Bangladesh's 1989 population of 111 million will probably increase to 139 million by the end of the century.

THE FUTURE

Bangladesh will require international assistance for years to come. Improvements in education, health care, and population planning are targets of international donors. Agriculture must also be given high priority; Bangladesh has never produced enough food to feed its people. A healthy, educated population enjoying a nutritious diet is a prerequisite for the expansion of industry and foreign investment that Bangladesh desires. As far back as 1979, the World Bank stated:

Rapid industrial growth is a necessary condition for the eventual solution of Bangladesh's problems of slow GNP growth, mass poverty and heavy dependence on foreign investment resources.³

Twelve years later, this prescription need not be changed. Economic and social progress must, however, be matched by political stability. Thus Bangladesh will remain a parliamentary democracy—if Bangladeshis can keep it. ■

³*Bangladesh: Current Trends and Development Issues* (Washington, D.C.: International Bank for Reconstruction and Development, 1979), p. 41.

BOOK REVIEWS

ON SOUTH ASIA

Government and Politics in South Asia

2d ed. By Craig Baxter, Yogendra K. Malik, Charles H. Kennedy, and Robert C. Oberst. Boulder, Col.: Westview Press, 1991. 416 pp., \$63.50, cloth; \$24.95, paper.

According to World Bank estimates quoted in this book, the population of South Asia was more than 1 billion in mid-1987, and it is projected to double by 2025. This fact alone, the authors contend, is reason enough to study South Asia, and their book is an attempt to relieve the shortage of texts on the area. Divided into sections on India, Pakistan, Bangladesh, Sri Lanka, and others (including Nepal, Bhutan, and the Maldives Islands), *Government and Politics in South Asia* amply fills the bill. The chapters discuss the history and political culture of each country and then analyze the various groups that participate in politics. A final chapter contrasts the competition between democracy and authoritarianism in the region. A more complete examination of the area would focus more attention on the economy and foreign relations, but that book has yet to be written. This one, however, should find a wide audience; it is well done and has few rivals.

Debra E. Soled

Pakistan: The Continuing Search for Nationhood

2d ed., rev. By Shahid Javed Burki. Boulder, Col.: Westview Press, 1991. 243 pp., \$39.50, cloth; \$18.50, paper.

Even after 45 years Pakistan is still trying to define itself as a nation. Neither its partition from India nor the loss of its eastern "wing" (now Bangladesh) has spared Pakistan the agony of centrifugal forces that threaten its cohesion as various nationalist groups seek support for their own local constituencies, not for the country as a whole. Divided by geography, ethnicity, and language, it seems all that holds Pakistan's varied population together is Islam.

Burki traces the history of Pakistan from the 1940s, when the idea of partitioning India germinated, to the 1990 elections. Along the way, he discusses political developments in detail, including Muhammad Zia ul-Haq's efforts to Islamize the country and elections that brought Benazir Bhutto to power in 1988 and then in 1990 resoundingly rejected her. He also examines Pakistan's economic development and foreign relations. A longer examination would look for historical and cultural factors behind the fractious ethnic and political behavior, but for those who wish to read a succinct analysis of Pakistan since independence, this book is worthwhile.

D. E. S.

India Briefing, 1991

Edited by Philip Oldenburg. Boulder, Col.: Westview Press, 1991. 220 pp., \$34.85, cloth; \$14.85, paper.

This year's contribution to a fine series features articles on India's political crisis, regional standing, economy, and social underclass, as well as the separatist movement in Kashmir. Although the articles, particularly the one on politics, show their age (all were completed before India's spring 1991 elections and the assassination of Rajiv Gandhi), the analyses remain valid. In giving a roundup of the events of 1990, Philip Oldenburg provides the flavor of the political chaos surrounding V. P. Singh's and Chandra Shekhar's short terms of office and describes the separatist movements raging in three regions of the country—Assam, Kashmir, and Punjab. Was India's stability in the balance? Perhaps, but Oldenburg seems to conclude that the crisis that year was only normal for India.

In writing on the economy, George Rosen finds that India has inherited the British talent for "muddling through." Yet the combination of the aftereffects of the Persian Gulf War (which severely reduced overseas remittances), the worldwide recession, and the Indian government's political instability have put a crimp in its continued ability to do so. Rosen's measured pessimism might have been relieved somewhat if he had been able to include consideration of the current efforts to reform the economy.

D. E. S.

MISCELLANEOUS

1991 Yearbook on International Communist Affairs

Edited by Richard F. Staar. Stanford, Cal.: Hoover Institution Press, 1991. 689 pp., \$59.95.

A title like this one might seem anachronistic in these times of Communist devolution, yet this volume—the 25th anniversary edition—still bears examination. The text was obviously completed long before August 1991, when communism lost its grip on the Soviet government, but for historians, the last days of its reign require documentation. Moreover, the demise of communism as a monolithic political boss in all but a few countries (China, Vietnam, Cuba, North Korea) has not (yet) led to its complete obliteration; in multiparty states all over the world, the Communist party is still active—mainly as part of the opposition, but in some provincial-level governments, Communist administrations have been freely elected. Even in the remains of the Soviet Union, the Communist party has not completely disappeared in all the republics. This book details all the remaining Communists, and that is its chief worth.

D. E. S.

Seize the Moment:**America's Challenge in a One-Superpower World**

By Richard Nixon. New York: Simon and Schuster, 1992. 322 pp., \$25.00.

This is a curious book. On one level it is a call for the United States to "seize the moment" at the end of the cold war and spread its values and beliefs throughout the world. On another level it is a somewhat tedious review of recent world events, spiced with the former president's idiosyncratic views on communism, socialism, and statism. And on a third level it is full-blown presentation of the internationalist argument that the United States must be ever-present everywhere to ensure its security; in short, without a worldwide pax Americana, the United States is not safe.

The first level is the guiding spirit of this work. "The time has come," Nixon says, "for America to reset its geopolitical compass. We have a historic opportunity to change the world." How? By pursuing a policy of "practical idealism." Like former United States Ambassador to the United Nations Jeane Kirkpatrick's "moderately repressive" authoritarian regimes, practical idealism calls for suspension of disbelief as its author shows the concept's application to reality. This is especially true of Nixon's formulation. While his explanation of practical idealism is lucid—and on the surface plausible—his demonstration of its application to the real world shows it to be only a continuation of present security policies slightly modified.

Nixon clearly states that his new policy does not require the United States "to bear any burden and pay any price." This is, after all, an idealism anchored in realpolitik. Interests must be defined, categorized as vital, critical, or peripheral, and then dealt with accordingly. But it becomes apparent that for Nixon cold war vital interests remain vital in the post-cold war world. With the exception of the former Soviet Union (the book was published before the union was dissolved), all the familiar bogeymen of the past make an appearance as evil incarnate and a threat to the United States.

It is here that Nixon's inveterate anticommunism comes into play. While acknowledging that the Soviet Union was in its death throes (and presciently predicting the formation of a commonwealth in its place), Nixon continues to rail at superior Soviet nuclear weapons, cheating on arms-control treaties, and Soviet aid to Afghanistan, Cuba, Vietnam, and North Korea. Communism itself is condemned as demonic, inhumane, and terroristic, and countries that practice it—especially Vietnam and Cuba—must meet "political and human rights conditions" before the United States establishes relations with them. The exception is China, whose leadership is criticized for human rights abuses but lauded for introducing free-market reforms. For Nixon the Chinese leaders may be Communists, but they are our kind of Communists.

Free-market reforms are in fact the new rallying cry for Nixon. Countries that have adopted free-market policies are held out as the only role models for the underdeveloped world. The so-called Asian tigers (Taiwan, Hong Kong, Singapore, and South Korea) are singled out for special praise.

Here rhetoric overtakes reality as Nixon uncritically assumes that any country can emulate the tigers and achieve comparable economic growth. Most scholars consider the case of each tiger unique, and the formula to which Nixon attributes their success—competition, investment in education, minor state intervention, foreign investment, and concentration on exports—diminishes the instrumental role government has played in shaping their economies and excludes foreign lending, which has been especially important to South Korea's development.

Nixon's endorsement of unbridled capitalism as the solution to economic ills contrasts with his realistic appraisal of the difficulties of implementing democracy throughout the world. "Those who call for a global democratic crusade ignore the limits of our power. . . Nations in Asia, Africa, and Latin America cannot develop overnight the traditions, cultures, and institutions needed to make democracy work. What works for us may not work for others." Nixon continues by noting that "in these regions, democratic government does not necessarily mean good government"—an especially appropriate admonition in view of the fallout from the Muslim fundamentalist victory in free elections in Algeria.

Nixon's realism extends to several contentious issues, most notably the Arab-Israeli conflict, relations with the Muslim world, and the frayed relationship with Japan, where he correctly notes that the Japan-bashing so eagerly taken up in the United States is undergirded by xenophobia. Unfortunately, much of his discussion of relations with the former Soviet Union is focused on the past and on defending Russian President Boris Yeltsin. Nixon finds Yeltsin a consummate politician and an able democratic leader; since the coup attempt in August 1991, "he has sought to advance democracy through parliament, not through purges." The former president does not ponder why the Russian leader finds issuing decrees such a superb "democratic" expedient.

The focus on the Soviet past is also unfortunate because Nixon predicates his policy for continued American engagement in the world on the existence of threats to United States security. Yeltsin may have said he no longer views the United States as a foe and will not target its cities with nuclear weapons, but the former Soviet Union still presents the United States with nonmilitary concerns, the solutions to which it and the 15 former republics may not always agree on.

This failure to examine such an important post-cold war issue points up *Seize the Moment's* overall failure to provide a constructive, innovative foreign policy for the United States. Practical idealism is a call for business as usual. Although Nixon makes an obligatory detour into domestic policy, he does not address how the United States can afford to remain on guard worldwide, nor how it can ask other countries to look to the United States as a model when it cannot solve its own problems. The countries once smothered by the cold war now breathe freely, and the United States needs to rethink its relations with them. A refurbished policy from the past is not a guide to sensible policy for the future.

William W. Finan, Jr. ■

THE MONTH IN REVIEW

JANUARY 1992

INTERNATIONAL

Association of Southeast Asian Nations (ASEAN)

Jan. 28—At the close of a 2-day summit meeting in Singapore, the 6 ASEAN leaders agree to create a regional free-trade zone within 15 years by reducing tariffs on nonagricultural goods to below 5%.

Conference on Security and Cooperation in Europe (CSCE)

Jan. 30—At a meeting in Prague, 10 former Soviet republics are inducted into the CSCE; Russia has already assumed the seat formerly held by the Soviet Union; among the former Soviet republics, only Georgia has not become a CSCE member. In his opening address, President Vaclav Havel of Czechoslovakia proposes that the CSCE assume broader powers and a larger role in peacekeeping operations in Europe.

European Community (EC)

(See also *Yugoslavia*)

Jan. 15—The EC recognizes the former Yugoslav republics of Croatia and Slovenia as independent countries; France and Britain say they will not send ambassadors to Croatia until concerns about the rights of ethnic minorities there are resolved.

General Agreement on Tariffs and Trade (GATT)

(See also *China*)

Jan. 13—A new phase in the Uruguay Round of world trade talks begins in Geneva; the talks have been stalled because of disagreements between the EC and the US over agricultural subsidies.

International Atomic Energy Agency (IAEA)

Jan. 30—At IAEA headquarters in Vienna, North Korea signs the agency's nuclear safeguards accord allowing international inspection of its nuclear complexes; it says inspections cannot take place until the pact is ratified by the country's legislature.

International Bank for Reconstruction and Development (World Bank)

(See *US, Foreign Policy*)

International Monetary Fund (IMF)

(See *US, Foreign Policy*)

Middle East Peace Conference

(See also *China; India*)

Jan. 13—The 3d round of talks between Israel and its Arab neighbors opens in Washington, D.C. Resolving a procedural dispute that stymied talks held there last month, Israel agrees to meet separately with Palestinian and Jordanian negotiators, who are officially part of a joint delegation.

Jan. 15—For the 1st time, Palestinian negotiators present Israel

with a plan for Palestinian self-rule in the West Bank and Gaza Strip; the plan, which had been approved by Palestine Liberation Organization chairman Yasir Arafat, is rejected by Israel as tantamount to an independent Palestine.

Jan. 16—The 3d round of talks ends.

Jan. 28—In Moscow, the Middle East peace conference co-sponsored by the US and Russia resumes with regional talks involving Israel and more than 20 Arab, European, and Asian countries; arms control, economic development, water resources, regional security, and refugees, among other topics, will be discussed. For the 1st time Israel will hold direct negotiations with Saudi Arabia and the other Persian Gulf states; with Morocco, Mauritania, and Tunisia; and with Japan and China.

The Palestinian delegation is absent from the talks; Palestinian spokeswoman Hanan Ashrawi says it was barred by the US and Russia; US Secretary of States James Baker 3d says the Palestinian delegation, which was selected by the PLO and includes representatives from outside the Israeli-occupied territories, refused to attend under the terms set out in the invitation to the original peace conference, held in Madrid in October 1991.

Algeria and Yemen, which had planned to be present, do not attend; Syria and Lebanon do not send delegates.

Jan. 29—The Moscow round ends with plans to convene working-group sessions in April and May on 5 of the topics discussed at the conference; the meetings will take place separately in 5 world capitals.

Palestine Liberation Organization (PLO)

(See *Intl, Middle East Peace Conference; Israel*)

United Nations (UN)

(See also *Yugoslavia*)

Jan. 1—Boutros Boutros-Ghali, an Egyptian diplomat, assumes the post of secretary general of the UN, succeeding Javier Pérez de Cuéllar.

Jan. 6—The Security Council votes unanimously to condemn as a violation of international law Israel's January 3 "decision...to resume deportations of Palestinian civilians from the occupied Palestinian territories."

Jan. 14—The Security Council authorizes the sending of 1,000 UN peacekeeping troops to El Salvador to monitor the implementation of the peace accord to be signed on January 16.

Jan. 21—In a unanimous vote, the Security Council calls on Libya to extradite 2 Libyan citizens indicted by the US and Britain for the 1988 bombing of a Pan American World Airways jet over Lockerbie, Scotland, and to "cooperate fully" with France in its investigation of the downing of a Union de Transports Aériens plane over Niger in 1989; this is the 1st time the UN has implicitly charged a member state with terrorism or urged an extradition.

Jan. 31—For the 1st time, the leaders of the 15 countries that sit on the Security Council hold a summit meeting. After

the one-day gathering, they issue a declaration noting that "the world now has the best chance of achieving international peace and security" since the UN was founded; they pledge to work to strengthen "the capacity of the United Nations for . . . peacemaking and peacekeeping." Russian President Boris Yeltsin, attending his 1st summit, tells his fellow heads of government that Russia now considers Western countries "not as mere partners but rather as allies," and urges further arms reductions, a ban on nuclear testing, and a joint US-Russian effort to develop a global antimissile shield.

ALGERIA

(See also *Intl, Middle East Peace Conference*)

- Jan. 2—At least 200,000 people march in Algiers to protest the results of national elections held on December 26, in which the fundamentalist Islamic Salvation Front (FIS) won 188 of the 430 parliamentary seats. Some demonstrators demand that the government cancel the runoff scheduled for January 16 in order to prevent the FIS from winning a majority. The FIS has said that once in power it will try to alter the constitution to conform with Islamic law.
- Jan. 3—The government says reports of voting irregularities may result in the annulment of the results for as many as 70 of the seats the FIS won.
- Jan. 11—President Chadli Bendjedid announces his resignation, saying he is convinced that the democratic process "cannot be continued safely."
- Jan. 12—Prime Minister Sid Ahmed Ghazali cancels the parliamentary runoff and says no further elections will be held until the political situation stabilizes. Abdelmalik Benhabiles, the president of the Constitutional Council, will serve as interim president.
- Jan. 14—A 5-member State Council, composed of civilian and military leaders who pressured Benjedid to resign, is formed to carry out presidential functions; the council's president, Mohammad Boudiafe, was one of the 9 leaders of the Algerian revolution in 1962. Ghazali remains prime minister but will not serve on the council.
- Jan. 19—The military arrests several FIS leaders after early morning attacks on police headquarters and an army post south of Algiers; 1 soldier was killed and 2 police officers were injured in the attack on the military post.
- Jan. 22—Security officials arrest acting FIS leader Abdelkader Hachani in a crackdown on Islamic fundamentalists; the government bans all gatherings around mosques in an effort to prevent political activities by FIS supporters. At least 500 Islamic militants have been arrested over the last few days.

BRAZIL

- Jan. 27—At its party congress, the Brazilian Communist party changes its name to the Popular Socialist party.

BULGARIA

- Jan. 13—Results of Bulgaria's 1st direct presidential election, held yesterday, show that President Zhelyu Zhelev won 45% of the vote, Velko Valkanov of the Socialist party 30.6%, and George Ganchev, a businessman with joint Bulgarian and US citizenship, 16.8%. A runoff will be held January 19 since no candidate received a majority.
- Jan. 19—Zhelev wins today's runoff with about 54% of the vote, becoming Bulgaria's 1st directly elected president.

CHAD

- Jan. 2—About 3,000 rebel troops loyal to deposed President Hissène Habré capture 2 towns near the capital city of N'djamena after a 2-day battle.
- Jan. 3—The government says it has retaken the 2 towns captured yesterday; 425 rebels were killed and hundreds of rebels were arrested in the recapture.

CHINA

(See also *Intl, Middle East Peace Conference; US, Foreign Policy*)

- Jan. 18—Minister of Foreign Economic Relations and Trade Li Lanqing announces that China will allow its currency to float and will unify the multitiered foreign-exchange rate; the actions are necessary if China is to join GATT.
- Jan. 23—China and Israel establish formal diplomatic relations; this will allow China to participate in the Middle East peace conference.

COMMONWEALTH OF INDEPENDENT STATES (CIS)

(See also *Intl, CSCE, Middle East Peace Conference, UN; US, Administration, Foreign Policy*)

- Jan. 2—Prices for consumer goods are freed in Russia, Ukraine, Belarus, and Moldova. Russia also increases government salaries 90% and raises the monthly minimum wage to 342 rubles.
- Azerbaijani President Ayaz Mutalibov says he is placing the Armenian enclave of Nagorno-Karabakh under direct rule.
- Jan. 10—Russia imposes border embargoes on most basic consumer goods to forestall raiding by other republics.
- Jan. 12—About 12,000 pro-Communist demonstrators in Moscow protest rising prices and demand the resignation of the Russian government.
- Jan. 17—About 5,000 military officers meet at the Palace of Congresses in Moscow to air grievances before Russian President Boris Yeltsin and the president of Kazakhstan, Nursultan Nazarbayev; they ask that the former Soviet armed forces remain unified.
- In Tashkent, Uzbekistan, thousands of students rioting to protest rising prices and bread shortages clash with police; 6 students are reported killed and several others injured. Price controls were lifted on January 15.
- Jan. 18—Government officials in Tashkent increase student grants in an attempt to prevent further unrest.
- Jan. 19—About 3,000 students march in Tashkent to protest the killing of the 6 demonstrators on January 17.
- In St. Petersburg, approximately 3,000 people, many of them pro-Communist, demonstrate against the lifting of price controls.

Leaders in Nagorno-Karabakh declare the enclave's independence from Azerbaijan and say they would like the territory to become a member of the CIS.

- Jan. 20—Russia and Finland sign a treaty in which they agree to treat each other as equals; this nullifies a 1948 pact that committed Finland to remain neutral between the Eastern bloc and the West.
- Jan. 26—In an interview broadcast by ABC News, Yeltsin says his government will no longer target American cities with long-range nuclear missiles.
- Jan. 27—Reuters reports that at least 60 people, mostly Azerbaijanis, were killed in ethnic clashes in Nagorno-Karabakh on January 25 and 26.

Jan. 28—Armenian rebels shoot down a civilian helicopter over Stepankert, the capital of Nagorno-Karabakh, killing about 40 people; Armenian representatives in the enclave say they believed the helicopter was carrying weapons and ammunition to Azerbaijanis attacking an Armenian village.

CONGO

Jan. 20—In Brazzaville, troops angered by Prime Minister André Milongo's appointment of new military commanders fire on pro-government supporters and demand that the prime minister resign. Three people are reported killed and several injured in today's attack.

Jan. 23—The governing assembly schedules Congo's 1st free elections; legislative elections will be held in April and May, and presidential elections in June.

CUBA

(See *US, Foreign Policy*)

CZECHOSLOVAKIA

(See *Intl, CSCE*)

EL SALVADOR

(See also *Intl, UN*)

Jan. 16—At a ceremony in Mexico City, Salvadoran President Alfredo Cristiani and the 5 top commanders of the guerrilla Farabundo Martí National Liberation Front sign a peace treaty ending the 12-year civil war that has left more than 75,000 people dead. The treaty provides for a formal ceasefire beginning February 1, and the complete demobilization of rebel forces by October 31.

Jan. 24—In San Salvador, Judge Ricardo Zamora sentences 2 army officers to 30 years in prison each for the murder of 6 Jesuit priests and 2 Salvadoran civilians in 1989; an amnesty program that was unanimously adopted by the Legislative Assembly yesterday excludes the 2 officers; however, their case may be reconsidered by the Legislative Assembly at a later date.

ESTONIA

Jan. 23—Prime Minister Edgar Savisaar and his government resign after failing to acquire emergency powers from parliament to deal with economic problems.

FINLAND

(See *CIS*)

FRANCE

(See *Intl, EC, UN*)

GEORGIA

(See also *Intl, CSCE; US, Foreign Policy*)

Jan. 2—Opposition leaders attempting to oust President Zviad Gamsakhurdia announce the formation of a military council to rule Georgia; they also declare a state of emergency in the capital city of Tbilisi that bans demonstrations and rallies. The president remains in the parliament building, which is under siege from opposition forces.

Jan. 3—At least 2 people are killed and 25 injured when opposition forces open fire on 3,000 pro-government demonstrators in Tbilisi.

The ruling military council dismisses the Cabinet.

Jan. 6—Rebel forces storm the parliament building. Gamsakhurdia escapes and flees to Armenia, where he asks for temporary asylum.

Tengiz Sigua, the opposition leader who at one time had been prime minister under Gamsakhurdia, is appointed head of a provisional government by the ruling military council.

Jan. 17—More than 6,000 people rally in Tbilisi in support of Gamsakhurdia; the group disperses after military council guards fire into the air.

GERMANY

Jan. 20—A Berlin court convicts 2 former East German border guards in the killing of an East German citizen as he fled to West Germany in February 1989. The guard who shot the man is sentenced to 3 1/2 years in prison for manslaughter; the other guard receives a 2-year suspended sentence for attempted manslaughter.

Jan. 23—The Bundestag approves legislation to tighten controls on weapons exports; a new government agency will monitor weapons exports in cooperation with customs officials, and companies found guilty of exporting weapons illegally will receive stiff penalties. The legislation was introduced last year after it was disclosed that German companies had helped Iraq and Libya build plants to produce poison gas.

HAITI

(See *US, Supreme Court*)

INDIA

(See also *US, Foreign Policy*)

Jan. 15—After a secret meeting in New Delhi with Prime Minister P. V. Narasimha Rao, separatist guerrillas from Assam agree to end attempts to set up an independent state; to disarm; and to abide by the Indian constitution. Rao orders the Indian army to suspend its campaign against the guerrillas.

Jan. 23—In Punjab state, 2 men dressed as police officers fire on several busloads of supporters of the Hindu nationalist Bharatiya Janata party (BJP); 5 people are killed and 40 injured in the attack. The caravan of buses, which set out from southern India in early December, was en route to Muslim-dominated Kashmir for a rally marking India's national day.

Jan. 25—One day after Kashmiri militants bomb the regional police chief's office in Srinagar, Kashmir, killing 1 police officer and injuring 8 others, the BJP cancels its procession through Kashmir; the party says it fears that the police cannot protect its supporters against further violence.

Jan. 26—In southern Punjab, 2 Sikh militants kill Harpal Singh, who was expected to be the Communist party of India candidate in elections next month. The Sikhs want a boycott of the elections, the 1st in 6 years to select representatives to the state assembly and the national Parliament.

Defying threats to his and his supporters' safety, BJP leader Murli Manohar Joshi flies to Srinagar and hoists India's national flag to demonstrate support for India's unity; Kashmiri militants in the city kill at least 20 people, including 3 security officers sent to protect Joshi.

Jan. 29—In New Delhi a bomb explodes on a bus, killing 2 people and injuring 43; police suspect that the bomb was planted by Sikh militants.

The government announces that it is establishing full

diplomatic relations with Israel; Israel has said that full relations are a prerequisite for Indian participation in the Middle East peace conference.

- Jan. 30—The central bank announces the dismantling of an 18-year-old law that banned the use of foreign trademarks by multinational corporations and the lifting of a law that blocked foreign companies from owning property in India. Both measures are aimed at opening the Indian economy to foreign competition.

IRAQ

(See *Germany*)

IRELAND

- Jan. 30—Charles Haughey of the Fianna Fail party announces his resignation as prime minister, effective February 10; he has recently been under attack on charges that he was aware of government wiretapping of journalists' telephones in 1982.

ISRAEL

(See also *Intl, Middle East Peace Conference, UN; China; India; Lebanon*)

- Jan. 3—The government announces that it will expel 12 PLO and Muslim fundamentalist Hamas members from the occupied territories because of their terrorist activities.
- Jan. 19—The small, right-wing Moledet and Tehiya parties quit the governing coalition to protest the government's willingness to discuss Palestinian autonomy at the Middle East peace conference in Washington, D.C.; their defection deprives Prime Minister Yitzhak Shamir of a majority in the Knesset.
- Jan. 27—By a single vote of 55 to 49, the Shamir government survives 5 no-confidence motions brought in the Knesset by the opposition to protest the government's economic and social policies; members of Moledet and Tehiya abstain from voting.

JAPAN

(See also *Intl, Middle East Peace Conference; US, Foreign Policy*)

- Jan. 17—In a speech before the South Korean parliament, Prime Minister Kiichi Miyazawa formally apologizes to the Korean people for the Japanese army's forcing of Korean women into prostitution during World War II; Korean historians estimate that some 200,000 Korean women were affected by the Japanese policy before 1945, when Japan's rule over Korea ended.

JORDAN

(See *Intl, Middle East Peace Conference*)

KENYA

- Jan. 18—In Nairobi more than 100,000 people attend the 1st legal antigovernment rally in 22 years; Oginga Odinga, the leader of the group that sponsored the rally, calls for an end to the one-party rule of President Daniel arap Moi.

KOREA, NORTH

(See *Intl, IAEA*)

KOREA, SOUTH

(See *Japan*)

LEBANON

(See also *Intl, Middle East Peace Conference*)

- Jan. 10—Israeli jets attack a village 9 miles south of Beirut, killing 12 people; an Israeli army spokesman says the village housed a Popular Front for the Liberation of Palestine-General Command guerrilla base.
- Jan. 19—Shiite Muslim guerrillas affiliated with the pro-Iranian Party of God explode 2 bombs in Tair Harfa, in southern Lebanon; 1 of the explosions kills the town's mayor. Israeli forces and their allies, the Christian-controlled South Lebanon Army, later attack nearby Shiite villages.
- Jan. 26—Near the village of Beit Leif inside Israel's self-proclaimed security zone in southern Lebanon, Israeli forces clash with Iranian-backed guerrillas; 4 people are reported killed in the fighting.

LIBYA

(See *Intl, UN; Germany*)

MAURITANIA

(See also *Intl, Middle East Peace Conference*)

- Jan. 26—Results of Mauritania's 1st multiparty elections, held January 24, show that incumbent leader Colonel Maawiya Ould Sid Ahmed Taya won 63% of the vote and Ahmed Ould Daddah 33%. Supporters of Daddah charge that the voting was rigged. After the results are announced, police reportedly surround the opposition's headquarters and open fire, killing 5 people.

MEXICO

- Jan. 13—The Interior Ministry overturns election results from the eastern Mexican towns of Cárdenas and Angel R. Cabada, awarding the 2 mayoralties to candidates from the leftist Party of the Democratic Revolution. Supporters of the leftist party had protested that the election, held in November, had not been fairly run. Both towns were previously controlled by the ruling Institutional Revolutionary party (PRI).
- Jan. 29—Salvador Neme Castillo resigns as governor of Tabasco state in response to opposition charges that he was elected fraudulently last November; the state legislature, which is PRI-controlled, names another PRI representative to replace him.

MOROCCO

(See *Intl, Middle East Peace Conference*)

MYANMAR

(See also *US, Foreign Policy*)

- Jan. 20—*Sangbad*, a Dacca-based Bangladeshi newspaper, reports that at least 700 Burmese Muslims have died of suffocation in crowded warehouses in northern Myanmar, where they were under military detention; about 2,800 Muslims were detained last month by government troops as part of a crackdown on Muslims in Myanmar.

PERU

(See *US, Foreign Policy*)

PHILIPPINES

- Jan. 7—Imelda Marcos, the widow of former President Ferdinand Marcos, announces that she will run for president in elections scheduled for May.

Jan. 25—President Corazon Aquino, who is not running for reelection, announces her endorsement of former Defense Secretary Fidel Ramos as her successor.

Jan. 29—Marcos is arrested and then released for failing to post bail on charges that she unlawfully maintained bank accounts in Switzerland; she is accused of keeping \$350 million in secret Swiss accounts.

SAUDI ARABIA

(See Intl, Middle East Peace Conference)

SOUTH AFRICA

Jan. 28—Police arrest 11 officers of the neo-Nazi Afrikaner Resistance Movement, including its leader, Eugene Terre-Blanche, and charge them in connection with violent protests at a speech delivered by President F. W. de Klerk last August in Ventersdorp; 3 people were killed and 58 injured. All 11 are released on bond, but they are to reappear in court on March 9.

Jan. 29—Armed men attack several trains traveling through black townships near Johannesburg; 3 black commuters are killed and 15 are injured.

SRI LANKA

Jan. 26—In Arantalawa a bomb explodes under a bus, killing at least 12 people and injuring 24. Tamil rebels are suspected of planting the bomb.

SYRIA

(See Intl, Middle East Peace Conference; US, Foreign Policy)

TOGO

Jan. 1—Prime Minister Joseph Koffigoh forms a new Cabinet that includes 3 men who are members of the Rally for the Togolese people, the party of ousted President Gnassingbé Eyadéma.

TUNISIA

(See Intl, Middle East Peace Conference)

UNITED KINGDOM (UK)

Great Britain

(See also Intl, EC, UN)

Jan. 10—A bomb explodes in central London near the government's offices in Whitehall; no injuries are reported. The Irish Republican Army issued a warning before the blast but no group has taken responsibility.

Northern Ireland

Jan. 17—A bomb believed to have been planted by the Irish Republican Army destroys a van carrying construction workers home from a job at a British army barracks west of Dublin; 7 men are killed and 7 others injured.

UNITED STATES (US)

Administration

Jan. 22—President George Bush nominates Andrew Card, Jr., as transportation secretary; Card was former White House Chief of Staff John Sununu's deputy.

Jan. 28—Bush delivers his State of the Union message before a joint session of Congress. Declaring that "America won the cold war," he proposes that the Commonwealth of Independ-

ent States (CIS) and the US eliminate all land-based multi-ple-warhead ballistic missiles and that the US reduce by about one-third the number of warheads on sea-based missiles. Bush says military cuts, including production halts for the B-2 Stealth bomber and the MX missile, will save \$50 billion over 5 years. Turning to the domestic economy, he proposes, among other investment incentives and tax credits, a decrease in the capital gains tax from 28% to 15%; a \$5,000 tax credit for 1st-time homebuyers; a \$500 increase in the personal tax exemption per child; and a health insurance tax credit of up to \$3,750 for low-income families.

Jan. 29—The Bush administration submits to Congress a \$1.52-trillion budget for fiscal year (FY) 1993 that incorporates military cuts and investment incentives announced in yesterday's State of the Union address. The budget projects federal deficits of \$399 billion for FY 1992 and \$352 billion for 1993. The \$302.3 billion proposed for Social Security for the 1st time exceeds that for defense spending, which is reduced from an estimated \$307.3 billion in FY 1992 to \$291 billion but includes an increase in funding for the Strategic Defense Initiative from \$4.1 billion to \$5.4 billion. The budget earmarks \$237.5 billion for health programs; \$199.5 billion for unemployment compensation and other welfare benefits; \$55.7 billion for the savings and loan industry bailout and the shoring up of the Federal Deposit Insurance Corporation bank deposit insurance fund; and \$45.5 billion for education.

ECONOMIC INDICATORS January Reports

	Change from previous period	Total
Gross Domestic Product		
4th quarter	+ 0.3%	\$4.87 trillion
1991	- 0.7%	
1st annual decline since 1982		
Merchandise Trade Deficit		
November	- 43.6%	\$3.6 billion
Lowest since 1983		
October, revised	- 6%	\$6.3 billion
Consumer Price Index		
December	+ 0.3%	137.9 points
1991	+ 3.1%	
Lowest since 1986		
Unemployment		
December	+ 0.2%	7.1%
Highest since 1986		(8.9 million)
November, revised	unchanged	6.9%
October, revised	+ 0.1%	6.9%
		(8.6 million)
Leading Economic Indicators		
December	- 0.3%	144.8 points
November, revised	- 0.3%	145.2 points

Sources: Commerce and Labor Department reports; news reports.

Foreign Policy

(See also *Intl, Middle East Peace Conference, UN; CIS*)

Jan. 3—Treasury Secretary Nicholas Brady announces that the US will support full membership in the International Monetary Fund and the World Bank for the 6 former Soviet republics with which the US is establishing formal diplomatic relations: Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, and Ukraine.

Jan. 7—On the 1st day of President Bush's state visit to Japan, the Ministry for International Trade and Industry announces incentives to increase Japanese imports—much of which would come from the US—by more than \$10 billion over 2 years. Japan's 1991 trade surplus with the US was approximately \$50 billion.

Bush collapses at a state dinner given by Japanese Prime Minister Kiichi Miyazawa at his official residence; the president's doctors say he is suffering from gastroenteritis.

Jan. 9—At a joint news conference in Tokyo with Miyazawa at the end of his 12-day Pacific tour, Bush announces that Japanese automakers have pledged to increase purchases of American auto parts, currently totaling \$9 billion annually, by \$10 billion over 3 years; about 75% of Japan's trade surplus with the US stems from the automotive trade. The president and prime minister also announce agreement on the so-called Tokyo Declaration, which outlines a "partnership" under which the US and Japan will promote international economic growth through expansionary budgetary and fiscal policies, and will harmonize security and environmental policies.

Jan. 16—Settling a long-standing US complaint, China agrees to abide by most international standards for the protection of copyrights and patents; the US had threatened to impose extremely high tariffs on \$1.5-billion worth of imports from China in retaliation for lost royalties.

Jan. 22—A 2-day US-sponsored conference on coordinating international aid to the CIS opens in Washington, D.C.; in a speech to representatives from the 47 participating countries, Bush says he will request a \$645-million grant for the CIS from Congress.

Jan. 31—The State Department issues its annual report on human rights around the world. The report notes "widespread and systematic torture" in Syria, a new "wave of repression" in Cuba, worsening abuses by the military in Peru and India, and rights violations under Georgian President Zviad Gamsakhurdia; it also lists 2,000 political prisoners in Myanmar.

After the Security Council summit meeting at the UN, Bush meets privately with Chinese Prime Minister Li Peng for the 1st time since China's 1989 crackdown on the pro-democracy movement; Secretary of State James Baker 3d tells reporters afterward that Bush informed Li that China's human rights record was "not acceptable."

Labor and Industry

Jan. 24—A federal district court judge in Washington, D.C., accepts a plea agreement reached in December by the Justice Department and the liquidators of the Luxembourg-based Bank of Credit and Commerce International; the bank will turn over its \$550 million in US-based assets to settle federal criminal charges against it, which include racketeering and money laundering.

Political Scandal

Jan. 31—In Washington, D.C., a federal district court judge sentences Alan Fiers, Jr., the former head of covert operations in Central America for the Central Intelligence Agency, to 100 hours of community service and 1 year's probation; in July, Fiers pleaded guilty to withholding information on the Iran-contra affair from congressional investigators.

Politics

Jan. 8—Virginia Governor L. Douglas Wilder withdraws from the race for the Democratic party's presidential nomination.

Science and Technology

Jan. 29—The *Discovery* space shuttle lands at Edwards Air Force Base in California after a 7-day mission in space.

Supreme Court

Jan. 27—In a 6-3 decision on 2 Alabama cases, the Court narrows its interpretation of the Voting Rights Act of 1965; it says reorganizations that stripped some budgetary authority over roads that all-white county commissions had held before recently elected black commissioners took office were internal matters and not covered by the act.

The Court, in a 6-3 decision, limits labor union access to an employer's property in attempts to organize a union.

Jan. 31—Voting 6 to 3, the Court lifts without comment an injunction imposed by a Miami federal district court prohibiting the forced repatriation of Haitian refugees; the US may now deport more than 10,000 Haitians seeking asylum.

VATICAN

(See *Yugoslavia*)

YEMEN

(See *Intl, Middle East Peace Conference*)

YUGOSLAVIA

(See also *Intl, EC*)

Jan. 2—In Sarajevo, after talks mediated by UN special envoy Cyrus Vance, General Andrija Raseta of the Yugoslav federal army and Croatian Defense Minister Gojko Susak agree on a cease-fire, effective tomorrow.

Jan. 7—In violation of the most recent cease-fire, a federal army jet fighter shoots down an EC helicopter over Novi Marof, Croatia, killing the 5 EC observers aboard.

Jan. 8—In Zagreb the EC observer mission announces that it is temporarily halting its monitoring of the cease-fire.

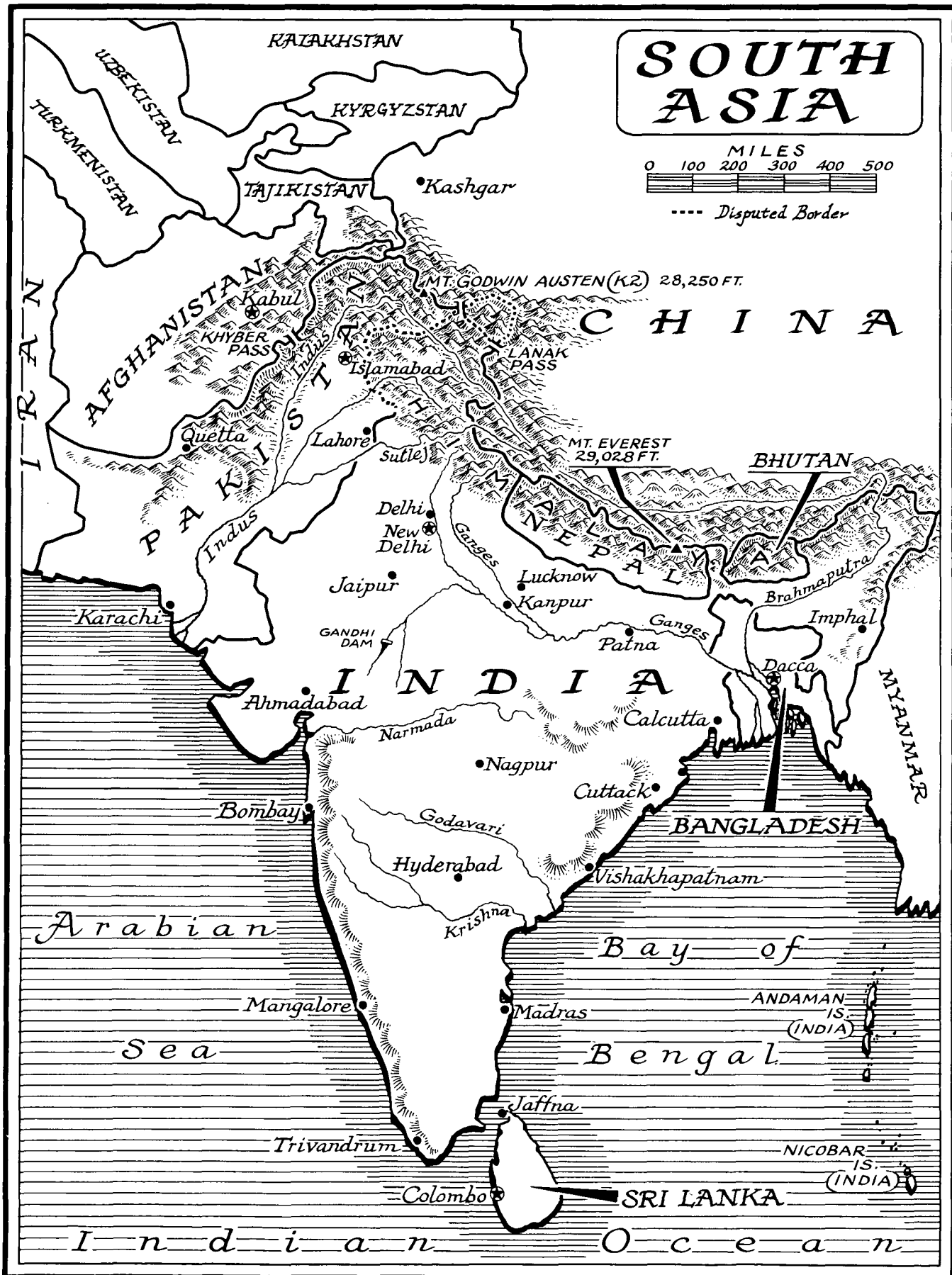
General Veljko Kadijevic, the federal defense minister, resigns and is provisionally replaced by the federal army chief of staff, General Blagoje Adzic.

Jan. 9—In Brussels, EC-sponsored Yugoslav peace talks, chaired by Britain's Lord Carrington, resume after a 2-month hiatus.

Jan. 13—The Vatican recognizes the independence of predominantly Roman Catholic Croatia and Slovenia.

ZAIRE

Jan. 23—A coup attempt by a group of rebel soldiers fails; yesterday the soldiers seized the national television broadcasting center in Kinshasa, but it was recaptured by loyalist troops early today. The military reports that 2 people were killed in the coup attempt. ■



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April's *Current History* inaugurates regular coverage of the United States. Where the country stands today in areas such as health care and environmental policy as well as where it is going in foreign and domestic policy forms the centerpiece of the discussions. *Topics scheduled to be covered include:*

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BY ALAN TONELSON,
ECONOMIC STRATEGY INSTITUTE
- **Domestic Politics on the Eve of the 1992 Elections**
BY GILLIAN PEELE, OXFORD UNIVERSITY
- **The Recession: Its Causes and Its Cure**
BY F. GERARD ADAMS,
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